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Argentina... 1.00 Dn  
Australia... 1.00 Dn  
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Belgium... 1.00 Dn  
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## Surge by Berlin's Right Stuns Germans

By Serge Schmemmann  
New York Times Service  
BONN — The failure of the center and the surprisingly strong showing of a xenophobic far-rightist party in West Berlin municipal elections sent shock waves through the city and the rest of West Germany on Monday.

About 10,000 protesters took to West Berlin streets to demonstrate against the unexpected capture of 11 seats in the city parliament by the far-rightist Republican Party.

So unexpected was the result that the Republican Party had not fielded enough candidates to fill the seats it won. Under the West German electoral system, seats are distributed according to the share of the vote, but only among candidates who ran.

In the working-class district of Tempelhof, the party won four slots but ran only three

candidates. In Neuköln, another low-income neighborhood, the Republicans had four candidates and won four seats, but one of the winners was expected to take a seat in the parliament in Bonn.

West Berlin is represented in the West German parliament by delegates chosen from the city legislature. The Republicans' showing gained them not only their first seats in a regional parliament but two seats in the Bundestag as well.

At Republican Party headquarters, the exultant local chairman, Bernhard Andres, said his party was not extremist but stood for traditional values "such as cleanliness and punctuality."

The party platform, which referred to West Berlin as "the capital of Germany," included planks such as instant expulsion of asylum-seekers denied asylum, life imprisonment for

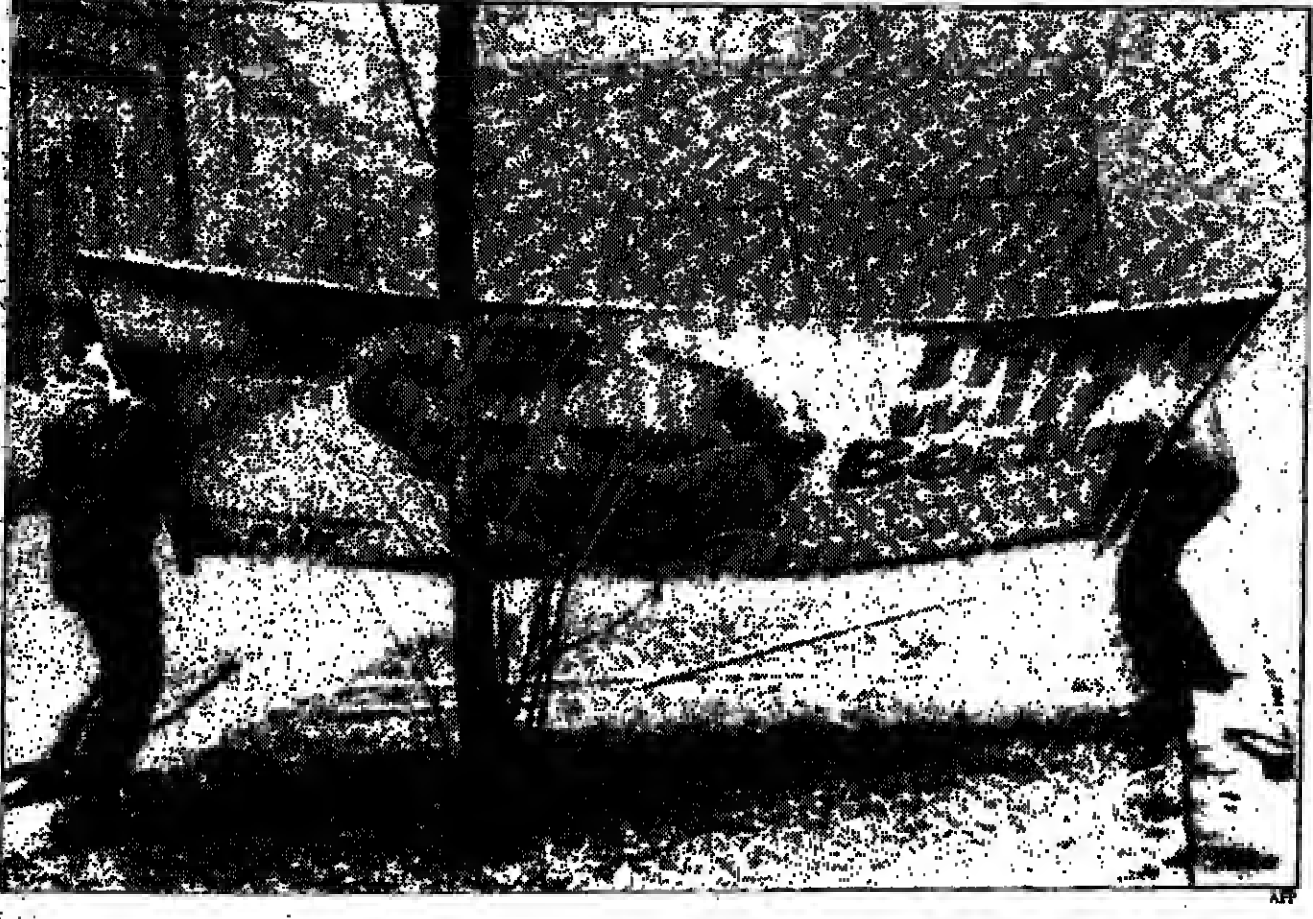
drug dealers, job priority for Germans and housing priority for long-time West Berlin residents.

The Republicans' national chairman, Franz Schömler, a former SS officer who took charge of the party shortly after it was formed in 1983, returned to the party's national base in Bavaria declaring that the Republicans' showing in Berlin was a sign of things to come.

"Germans have shown again the need for a democratically purified patriotism," he said. The party's best previous showing was 3.5 percent of the vote in Bavarian state elections. It claims a membership of 8,500 nationwide, 5,000 of them in Bavaria.

Most analysts said the unexpected capture of 7.5 percent of the vote by the Republicans represented less a resurgence of the far right

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Workers in West Berlin removing one of Mayor Eberhard Diepgen's campaign posters on Monday, left, as Bernhard Andres, the chairman of a rightist party whose strong showing hurt the mayor's cause, spoke at a news conference.

## U.S. Criticizes Raids by Soviets Scorched-Earth Policy Seen As Troops Quit Afghanistan

By Don Oberdorfer  
Washington Post Service  
WASHINGTON — The Bush administration accused the Soviet Union on Monday of carrying out "a scorched-earth policy" with bombing raids in Afghanistan as Soviet forces were reported to be rapidly withdrawing to meet the Feb. 15 pullout deadline.

The State Department spokesman, Charles E. Redman, said Soviet forces were conducting "very intensive air activity" with aircraft based inside Afghanistan as well as bombers based in the Soviet Union. In addition, he said, the Soviets continued to launch SCUD ground-to-ground missiles, which are considered inaccurate weapons.

By contrast, Mr. Redman said, the U.S.-backed mujahidin rebels "have been exercising a very considerable degree of restraint when it comes to withdrawing Soviet forces."

U.S. officials said all indications available to Washington suggested that less than 10,000 Soviet troops remained in Afghanistan, with more departing daily. The troops who remain could probably be taken out by air transport flights in less than a week once the final order is given, an official said.

For most of the nearly nine years of the war, the Soviets kept an expeditionary force in Afghanistan estimated by the United States at 120,000. In the Geneva accords last April, Moscow promised to withdraw half its force by Aug. 15, and the United States subsequently said it believed this deadline was met.

Withdrawal of the final 50,000 to 60,000 troops began late last year and has become more intense week by week, according to U.S. officials. The Soviet defense minister,

General Dimitri T. Yazov, who was in Kabul over the weekend, is believed to be arranging details of the final pullout and consulting with the Soviet-backed government to maximize its defense efforts.

U.S. Closes Embassy  
Richard M. Weintraub of The Washington Post reported earlier from Kabul:

The United States closed down its embassy in Kabul Monday, increasing pressure on the government of Major General Najib.

Against a backdrop of a winter snowstorm, the U.S. charge d'affaires, Jon D. Glasman, wished a small U.S. Marine detachment lower the American flag and then said: "The people of Afghanistan will enjoy peace and freedom once again. That is our wish. The president has sent us a long way around the world. We are far from our wives, our sons, our daughters, our parents, our friends. But we think we have met the best of America here. So, we say goodbye to Kabul. We say goodbye, God bless the United States of America. We are going home."

The snow that provided a blanket of calm and quiet for the ceremony also prevented the actual departure of the 11 Americans remaining in the embassy. The storm delayed the arrival of their Indian Airlines flight from New Delhi.

Also remaining are about 10 American missionaries, who have worked quietly at a hospital here for some time, and a few American reporters. The missionaries are expected to leave in a week or so, as are many of the reporters.

Most Western embassies and the United Nations have been piling down staffs for some time as the withdrawal of Soviet forces became imminent and the security situation more uncertain. West Germany already has closed down its embassy and Japan, Britain, France and Italy are expected to follow soon. India and Pakistan have not announced their plans.

Mr. Glasman cited the security situation as the reason the United States decided to close down its operations. "I have very mixed emotions about leaving. My feeling is that it will become very unsafe in the very near future," he said in an informal conversation before the ceremony. "After the Soviets leave, we have doubts about the ability of the regime to protect diplomats."

Afghan officials have reacted angrily to the decision, labeling it an attempt "to make psychological propaganda, to frighten or spread fear that after the Soviets leave Kabul the security of the city will be disturbed."

The Foreign Ministry rejected assertions that Western diplomats could not be protected.

The decision by Secretary of State James A. Baker 3d to order the shutdown as soon as he was sworn into office is widely believed to reflect a more cautious approach by the new administration.

### Kiosk

#### Soviet Leader To Visit Bonn

BONN (Reuters) — Mikhail S. Gorbachev, the Soviet leader, will visit West Germany for four days beginning Jan. 31, a Bonn spokesman said Monday. It was announced that he would visit Britain April 5-7.



#### Foreign Secretary Sir Geoffrey Howe of Britain arriving in Gibraltar as London announced a troop cut in the territory. Page 2.

#### General News

The U.S. envoy to Italy, Maxwell Roth, looks back. Page 5.

#### Arts & Leisure

Daniel Barenboim, deposed from Opéra Bastille in Paris, will take over the Chicago Symphony Orchestra. Page 7.

#### Business & Finance

U.S. personal income rose 0.9 percent in December. Page 9.

#### Weather

Clear. Page 2.

#### Overseas

Down Close. Page 7.

#### Down Close

The Dollar in New York. DM 1.8598. Pound 1.7625. Yen 129.325. FF 6.324.

## The 3-Bloc Scenario: An Orwellian World at War in Trade

By Reginald Dale  
International Herald Tribune

DAVOS, Switzerland — A fashionable, almost Orwellian vision of the 1990s sees the world divided into three giant, warring blocs: North America, Europe and Eastern Asia. Unlike Orwell's super-states, which constantly waged conventional warfare, today's emerging blocs would battle with trade and economic weapons.

Few international economic gatherings nowadays are complete without warnings of the dangers of such a development. And this year's World Economic Forum in Davos has been no exception.

"There is a very great danger in the emergence of three blocs, that world trade will be reduced to these three zones," Helmut Haussmann, the West German economics minister, told the 900 delegates attending the annual business conference in this Swiss ski resort.

The North American bloc, according to the conventional wisdom, will be led by the United States and include Canada and, possibly later, Mexico.

Western Europe, and possibly later Eastern Europe, will coalesce around the European Community's post-1992 single market. And Japan will lead a league of fast-growing Asian economies.

"The 1990s will see freer trade inside the regional blocs and much less trade between them," said Lester C. Thurow of the Massachusetts Institute of Technology.

The General Agreement on Tariffs and Trade, the Geneva-based custodian of the multilateral world trading system, "is dead," Mr. Thurow provocatively announced.

But many of the other participants at this year's forum questioned the inevitability of such a doom-laden scenario.

After private discussions among 60 or so of the delegates, Raymond Barre, the former prime minister of France, said the

problem of blocs "appeared to be rather illusory." It is not in a country's interest to be a bloc member if that means losing essential outside markets and submitting to political domination by the leading member, he said.

"If we can maintain multilateral discussions, maintain the principle of limiting trade diversion by respecting international agreements, and promote trade creation, there is no danger that we will have three blocs," Mr. Barre added.

Few would disagree that a successful conclusion of the current so-called Uruguay round of multilateral trade negotiations would help to reduce the danger

that the regional blocs will be hostile.

Some economists believe that blocs, if they had open trading policies, could even promote rather than obstruct world trade.

But Mr. Barre's other arguments appeared to presume that most governments could choose whether to join blocs, rather than find themselves forced into them, as some delegates predicted.

"The pressures of the world's structural trade and financial imbalances are pushing countries into blocs," said John

See TRADE, Page 13

## Western Officials Reject Soviet Claim of Parity

By Joseph Fitchett  
International Herald Tribune

PARIS — A Soviet comparison of East-West military strength in Europe conflicts significantly with NATO's assessment and appears to be tailored to fit Moscow's bargaining tactics in conventional arms-control talks, Western officials said Monday.

The report Sunday, the first Warsaw Pact study of its kind, concluded that "approximate parity" existed between its own forces and those of the North Atlantic Treaty Organization. That statement was rejected by Western officials, who called it propaganda to lure international opinion and enhance the recent announcement of force cuts by the Warsaw Pact.

U.S. and NATO officials nonetheless welcomed the Warsaw Pact figures for the two alliances as a step toward greater military openness in Europe and a useful preparatory step for negotiations on cutting Conventional Armed Forces in Europe, which are due to open in Vienna in March. NATO published its own data about the sides' relative strengths in November.

"The Soviets are not telling any

gross statistical lies because that would be counterproductive in their public-relations exercise," said Andrew Duncan at the International Institute of Strategic Studies in London.

A British official added that "even if Warsaw Pact governments

The U.S. military is betting on a new air-to-air missile. Page 6.

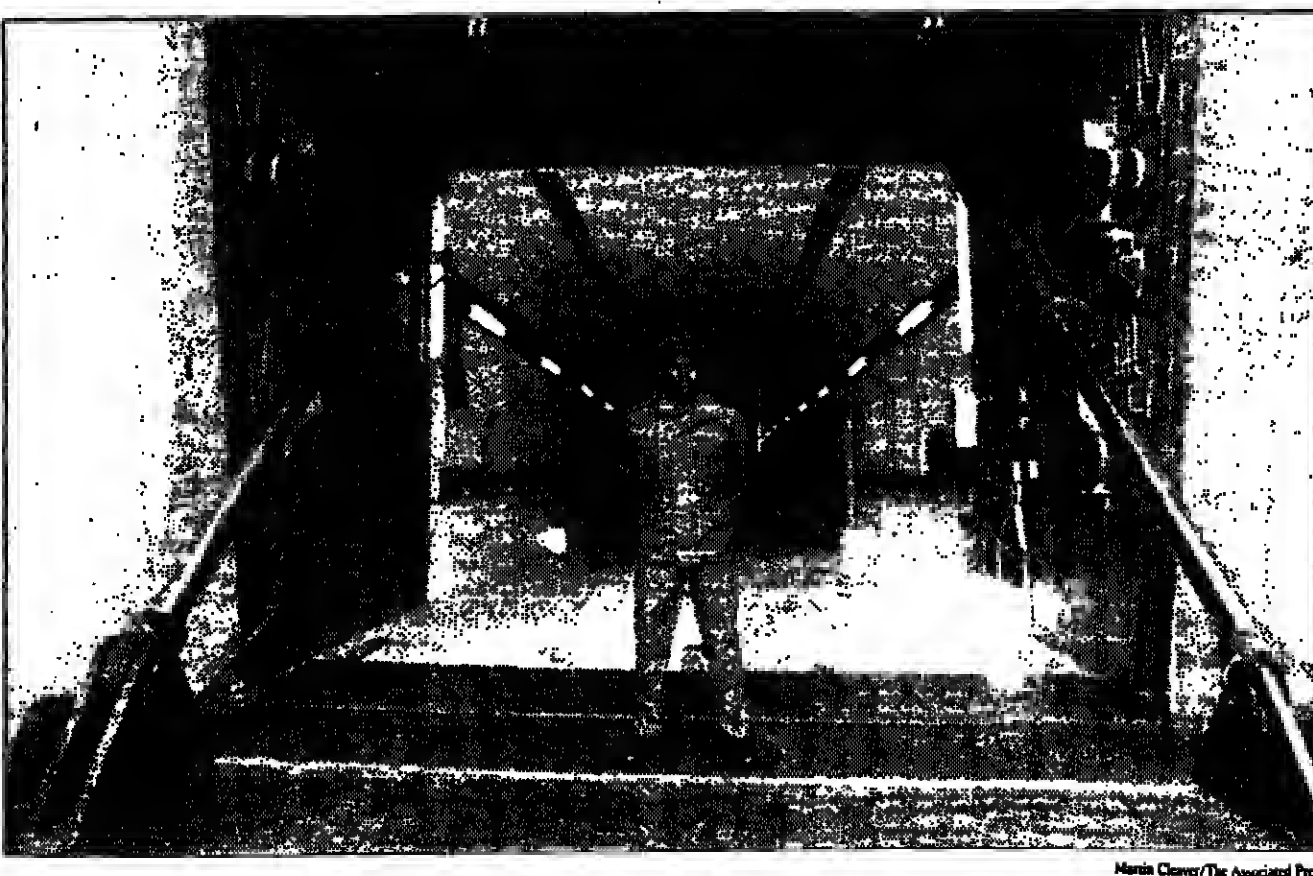
genuinely want to cut forces, they are going to bargain hard over the terms."

The Soviet report acknowledged a Warsaw Pact superiority in armor and artillery, putting the Warsaw Pact's tanks at 60,000, compared with NATO's 30,000. The NATO report put the number of Warsaw Pact tanks at more than 50,000, a 3-to-1 advantage over the 15,000 tanks that NATO said it had.

But the Soviet report assigns NATO a compensating advantage in "attack aircraft" and also in sea power around Europe.

Over all, a French official said, the Soviet comparison "paints a

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A U.S. soldier guarding a bunker previously used for storing cruise missiles at Molesworth, England, on Monday after the missiles became the first to be deactivated under terms of the INF Treaty. The last of the 16 missiles stored there was removed in November.

## Israeli Army Is Stymied By Uprising

By Glenn Frankel  
Washington Post Service

JERUSALEM — The Israeli Army, the country's most revered institution, is mired in a crisis of confidence as it gropes to find a way to suppress the nearly 14-month-old Palestinian uprising in the occupied West Bank and Gaza Strip.

Some senior officers and many analysts contend that the uprising has interfered with training, damaged morale and threatened to create a generation of reluctant, anxiety-ridden officers and men who could refuse to take the initiative in a shooting war.

The result, they contend, is an army increasingly in conflict not just with the Palestinians but with itself — with the complex riot-control mission it has been assigned, with the elaborate written orders for using force that many soldiers contend are unrealistic, and with the country's civilian leaders who insist that the army produce a military solution to a problem whose roots and essence are political.

A verbal confrontation earlier in January between Prime Minister Yitzhak Shamir and angry reserve members of a paratroop unit in the West Bank city of Nablus summed up for many soldiers just how desperate the situation has become.

The reservists complained that they could not complete their mission and were forced by circumstances to violate orders and brutalize Palestinians.

"The paratroopers are our elite, and the message they delivered is

## FBI Sting in Chicago's Commodities Pits: Traders Who Never Were

By Eric N. Berg  
New York Times Service

CHICAGO — Few people at the Chicago Board of Trade took notice in December 1986 when a stocky man, who combed strands of hair over his head to conceal a bald spot, began working on the trading floor as a telephone clerk. The man, who called himself Richard Lee Carlson, "looked like a guy who could be in an Allstate insurance ad," one broker said. "He was harmless-looking."

Today, few in this city's teeming financial district would call Mr. Carlson harmless. He was one of at least four undercover agents of the FBI who set out nearly two years ago to substantiate allegations of widespread corruption in commodities futures trading at the Board of Trade, the world's largest futures market, and at the

Chicago Mercantile Exchange, the second-largest.

In an elaborate "sting" operation, the agents built a fictitious world in which they could pose as commodities professionals and secretly tap-record hundreds of conversations with genuine traders.

Some traders were suspected of overcharging customers, not paying them the full proceeds of sales and using their knowledge of customer orders to trade first for themselves.

The government's ruse was disclosed this month, when the agents and prosecutors subpoenaed at least 50 traders and others to appear before a federal grand jury. Hundreds of other subpoenas have been issued, involving millions of pages of documents.

Suddenly it was as if the people the agents

portrayed had never existed. As the sting became known, the offices they worked out of at the exchanges were emptied. Apartments they maintained were vacated, although the FBI left answering machines hooked up for a few days, apparently in hopes of recording outraged traders.

The undercover operation stunned this city's futures community, whose denizens marvel at how the agents managed to infiltrate their close-knit world and remain undetected for so long. Even officials of the commodities exchanges, who were also kept in the dark, were fooled.

Interviews with government officials, traders, brokers, exchange employees and lawyers for those who have received subpoenas have provided fresh details of the sting operation.

The government was contacted by Archer-

Daniels-Midland Co., the big agricultural concern, people involved in the case said.

Archer-Daniels complained that trading abuses had occurred on the floor of the Board of Trade, and the company agreed to let two agents work for the company's trading subsidiary, giving them entrée to the frenzied world of commodities trading. Officials of Archer-Daniels declined to comment.

By late 1986, the futures pits in Chicago had become one of the most important financial centers in the world.

The pits had become a wild place, where men and women clad in brightly colored jackets shouted the prices of contracts and used intricate hand signals when their voices could not be heard. To the uninitiated observer, the pits had become a living blur.

But within that blur, there was a certain order. A sense of fraternity, an unwritten set of rules governed the day's trading. Most sacrosanct of all was the trust that enables one trader to take the word of another as a bond.

It was that sense of trust that the FBI agents had to gain from traders, whose instincts for spotting a phony were about as keen as they come.

Many of the traders had grown up together in the Chicago area, so it stood to reason that they would form cliques. And it was understandable that the community of traders would be a difficult fraternity to join.

"A new guy comes in and he finds that everybody has his own clique," a Merc employee said.

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See ISRAEL, Page 6



## U.K. Cuts Force in Gibraltar

### Troop Reduction Worries Colony

**London**—Britain will reduce its 1,800-member garrison in Gibraltar by up to one-third, Defense Secretary George Younger told Parliament on Monday.

Mr. Younger's statement to the House of Commons came as the foreign secretary, Sir Geoffrey Howe, flew to the British territory for talks with its chief minister, Joseph Bossano.

Reports that the soldiers might be withdrawn had concerned Gibraltar officials because the defense ministry employs 1,700 people to support the garrison.

■ **Howe Defends the Move**  
Sir Geoffrey said Monday that the decision to reduce the troop garrison was "sensible" because Spain was no longer seen as a threat to the territory, Reuters reported from Gibraltar.

"It's a sensible adjustment of scarce defense resources," Sir Geoffrey said. "People who have watched Gibraltar for a long time realize there is no longer a threat from Spain."

He said local military forces would be strengthened after the pullout, which he said would be completed by the spring of 1991.

In an interview in the Gibraltar Chronicle newspaper, Sir Geoffrey sought to reassure Gibraltar that London was committed to the welfare of the territory.

"Our commitment to the people of Gibraltar remains firm," he said. A former chief minister, Joshua Hassan, said he was concerned about the troop cuts because of the jobs the garrison provides among Gibraltar's 29,000 residents.

In Spain, Foreign Minister Francisco Fernández-Ordóñez said any troop reductions would be welcomed. Sir Geoffrey's visit comes a week before he is due to meet with Mr. Fernández-Ordóñez in London for an annual review of progress on a 1984 agreement under which Britain and Spain agreed to discuss the future of the territory.

### Ship Aground in Antarctica

**Buenos Aires**—About 100 passengers on the Argentine cruise ship Bahia Parrisio were evacuated to the Palmer research station in Antarctica after the vessel ran aground, the Argentine Navy said.



Stipe Suvar addressing the party conference Monday in Belgrade.

## Yugoslav Party Is Warned By Military Against Schisms

**By Henry Kamm**  
*New York Times Service*  
**BELGRADE**—The Yugoslav military issued a stern warning on Monday to politicians who "are pushing out" Yugoslav ship toward the rocks of catastrophe.

"The military will confront with all its power and means any one who wants to play hazardous games with the achievements of our liberation struggle and our socialist revolution," said Admiral Petar Simic, who is head of the party organization in the military and a member of the Politburo.

Admiral Simic was speaking at a session of the Central Committee of the Communist Party, which like Yugoslavia itself is riven by factional and ethnic divisions.

The admiral's warning marked a break with the customary position of the military, which has maintained—at least in public—a hands-off attitude while the party's principal leaders were locked throughout last year in increasingly open conflict.

"If someone has declared a battle for Yugoslavia," the admiral said, "it will not be fought without the Yugoslav Liberation Army and millions of working people who have Yugoslavia more at heart than certain blinded and bureaucratic groups of individuals hungry for power and wanting to break up Yugoslavia."

The admiral gave no hint whether he was addressing his warning, which is assumed to represent a consensus among the military command, to a particular man among the leading politicians or to the leadership in general. He followed to the speaker's stand in the Parliament Building a succession of Politburo members, led by the Politburo president, Stipe Suvar, and representatives of the country's eight republics and provinces.

Observing the conventions of Communist Party discourse, the speakers put their opposing views in vague and ideological terms, letting their meaning be read largely between the lines.

The conflict has been precipitated largely by the rise last year of Slobodan Milosevic as the new leader of Serbia, the largest Yugoslav republic and the one with the oldest tradition of independence.

Mr. Milosevic has seized on the ethnic conflict between an Albanian majority and a Serbian and Montenegrin minority in Serbia's autonomous province of Kosovo as the fuel powering his rise.

Since last summer, crowds of Milosevic supporters have been holding huge rallies in many parts of the country. They have gone beyond the Kosovo issue to raise complaints about Yugoslavia's deep economic crisis and blaming the heavy Communist bureaucracy for many of their problems. In direct challenge to the bureaucracy, they have succeeded in forcing wholesale resignations of republican and provincial leaders.

In a reference widely interpreted as addressed to suspicious about Mr. Milosevic's ambitions, Mr. Suvar, whose one-year term as Politburo president ends in May, warned against unnamed forces seeking to convert the party leadership into a highly centralized, dictatorial body.

"Such a Central Committee would, of course, need an 'infalible' leader," Mr. Suvar said. "We must be aware of the fact that when living standards are declining and social and economic trends appear to offer no prospects, such a course might prove popular."

Like Admiral Simic, Mr. Suvar emphasized the growing disunity of this nation of 23 million as ethnic tensions rise, and with them a prospect of violence. "What has happened to us?" he asked. "Are we really threatened, at the threshold of the 21st century, by fratricidal wars?"

At the same time, John Paul II appealed to Roman Catholics on Monday to become more active participants in church and social matters, but he urged greater caution in allowing lay people to perform priestly duties.

Distinctions between laity and clergy have come to be obscured on occasion, the pope said, and he advised pastors to exercise "maximum care" in assigning any of their functions to lay people.

Catholic bishops, he said, shared his concerns about "a too-indiscriminate use of the word 'minister' and about a 'desecration' of the lay faithful."

The attendance at the talks of the three coalition parties—the followers of Prince Norodom Sihanouk, the Khmer People's National Liberation Front of former Prime Minister Son Sann and the Khmer Rouge—had been in doubt after the visit to Thailand last week of Hun Sen, the prime minister of the Phnom Penh government. The visit had strained the coalition, which has received Thai support.

Mr. Hun Sen and much of his cabinet spent three days in Bangkok at the invitation of the Thai prime minister, Chuanrich Chuanavan, who in coordination with Indonesia, felt it was time to end the isolation of the Phnom Penh government in the interests of a Cambodian settlement and improved regional trade.

**Quayle Sees Soviet 'Hatred of God'**  
**WASHINGTON** (AP)—Vice President Dan Quayle told the annual conference of the National Religious Broadcasters on Monday that the Soviet government's system was "hatred of God."

The vice president went on to attack the Soviet system, saying that Soviet citizens are now speaking out against the concentration of power by the Communist Party. "How did the Communist Party gain such appalling confidence in its own wisdom, indeed, its own omniscience," he asked. "I think the root of the matter all comes back to a hatred of God, to a rejection of the entire concept of a religious system."

He also said that if Moscow's planned international human rights conference occurs, the U.S. must ensure that it "is not just a public relations extravaganza for the Soviet leadership." He urged that the United States "insist that all the agreed-upon conditions for such a conference are met—conditions such as free contact of Soviet citizens with delegates and visitors."

**Polish Priest Found Dead After Fire**  
**WARSAW** (NYT)—A pro-Solidarity priest in Bialystok was found dead on Monday, evidently of asphyxiation, after a fire broke out in his room. There were reports of tension in Bialystok, in northeast Poland, since the death comes less than two weeks after the death of another anti-government priest who senior church officials say was murdered.

The priest found dead on Monday, the Reverend Stanislaw Suchowolec, 31, was widely known as an outspoken advocate of the banned trade union. The Reverend Jozef Kosowicz, pastor of the Immaculate Heart of Mary parish, where Father Suchowolec was active for the last two and a half years, said an autopsy was planned.

Father Kosowicz said the police had sealed the room and, with electricians, were investigating the fire. This suggested that electrical failure might be suspected as the cause of the fire that killed Father Suchowolec.

**Portuguese Unions to Strike Friday**  
**LISBON** (AP)—A quarter-million workers, including large numbers of transport employees, are expected to strike Friday in a protest against government labor policy, union officials said Monday.

Workers who operate buses and streetcars in Lisbon and Oporto, as well as the Lisbon subway and river ferries have pledged to join the strike. Nationally, the state railway network and the intercity bus service will be affected. Ground workers for the state airline, TAP Air Portugal, say they will strike. Heavy industry will be affected as well.

Long will open its airspace to civilian flights to Iran for the first time since the Gulf War began, the Baghdad radio reported. The state-run radio said Sunday that the move was in response to United Nations efforts to break the deadlock in Iran-Iraq peace talks. (UPI)

The Cosmos Hotel in Moscow will close as of Tuesday for two days of cockroach extermination, a spokesman said Monday. Guests in the 3,500-room hotel have been moved to other hotels. (AP)

At least 1,051 Beijing taxi drivers have lost their licenses since 1985 because of bad service and "moral problems," the Legal Daily newspaper said Monday. It cited poor management and lack of discipline in the industry, which has boomed in response to foreign tourists. About 8,000 cabs ply Beijing's streets, the paper said. (AP)

## WORLD BRIEFS

### Bush Predicts 'Jobs in Abundance'

**WASHINGTON** (AP)—President George Bush predicted "a new era of abundance" in the years ahead and also called on Monday for a new spirit of volunteerism in the United States. Speaking at a swearing-in ceremony for the new secretary of labor, Elizabeth Dole, Mr. Bush said government service "plays a vital role, but it must complement individual service."

He said there was "a lot to feel good about on the labor front." Unemployment at its lowest level in 14 years, 5.5 percent in December. "There'll be jobs in abundance," he added, "but we'll have to make sure our workers have the skills that they need to fill those jobs with excellence."

He told the gathering, largely made up of Labor Department employees: "You look out for the working people of America. I want this administration to be about working people."

### Mulroney Shuffles Cabinet in Canada

**OTTAWA** (Reuters)—Prime Minister Brian Mulroney of Canada announced a shuffling of his cabinet on Monday, including new appointments for defense and the Treasury Board.

Mr. Mulroney, who led his Conservative Party to a second consecutive majority government in November, also announced a shuffling of his cabinet committees, covering the environment, economic affairs, education, and human resources. Jake Epp was named defense minister, and Robert de Cotret was named president of the Treasury Board, which oversees government spending.

As was expected, Finance Minister Michael Wilson, Foreign Minister Joe Clark, Deputy Prime Minister Don Mazankowski and Trade Minister John Crosbie remained in their posts.

### Crash in Alaska Kills 8 Canadians

**FAIRBANKS, Alaska** (AP)—A Canadian C-130 transport plane crashed into a snowbank during a landing in thick fog, killing at least eight Canadian soldiers en route to a joint training exercise, U.S. officials said.

The Lockheed C-130 was carrying eight crewmen and 10 paratroopers from Edmonton, Alberta, when it crashed on Sunday just short of the runway at the Fort Wainwright airfield, a U.S. Army spokesman said. Five of the 18 aboard were seriously injured.

The crash occurred with fog covering the runway and the temperature at minus 60 Fahrenheit (minus 51 centigrade), but military officials said it was unclear if the weather was a factor in the accident. About 25,000 U.S. and Canadian servicemen are taking part in the training exercise, which is scheduled to continue through Feb. 1.

### Cambodian Factions Agree to Talks

**BANGKOK** (NYT)—Leaders of the three Cambodian factions opposed to the Vietnamese-backed government in Phnom Penh agreed Monday to attend a second round of talks, scheduled for Feb. 19 in Jakarta.

The attendance at the talks of the three coalition parties—the followers of Prince Norodom Sihanouk, the Khmer People's National Liberation Front of former Prime Minister Son Sann and the Khmer Rouge—had been in doubt after the visit to Thailand last week of Hun Sen, the prime minister of the Phnom Penh government. The visit had strained the coalition, which has received Thai support.

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**WARSAW** (NYT)—A pro-Solidarity priest in Bialystok was found dead on Monday, evidently of asphyxiation, after a fire broke out in his room. There were reports of tension in Bialystok, in northeast Poland, since the death comes less than two weeks after the death of another anti-government priest who senior church officials say was murdered.

The priest found dead on Monday, the Reverend Stanislaw Suchowolec, 31, was widely known as an outspoken advocate of the banned trade union. The Reverend Jozef Kosowicz, pastor of the Immaculate Heart of Mary parish, where Father Suchowolec was active for the last two and a half years, said an autopsy was planned.

Father Kosowicz said the police had sealed the room and, with electricians, were investigating the fire. This suggested that electrical failure might be suspected as the cause of the fire that killed Father Suchowolec.

## TRAVEL UPDATE

### Portuguese Unions to Strike Friday

**LISBON** (AP)—A quarter-million workers, including large numbers of transport employees, are expected to strike Friday in a protest against government labor policy, union officials said Monday.

Workers who operate buses and streetcars in Lisbon and Oporto, as well as the Lisbon subway and river ferries have pledged to join the strike. Nationally, the state railway network and the intercity bus service will be affected. Ground workers for the state airline, TAP Air Portugal, say they will strike. Heavy industry will be affected as well.

Long will open its airspace to civilian flights to Iran for the first time since the Gulf War began, the Baghdad radio reported. The state-run radio said Sunday that the move was in response to United Nations efforts to break the deadlock in Iran-Iraq peace talks. (UPI)

The Cosmos Hotel in Moscow will close as of Tuesday for two days of cockroach extermination, a spokesman said Monday. Guests in the 3,500-room hotel have been moved to other hotels. (AP)

At least 1,051 Beijing taxi drivers have lost their licenses since 1985 because of bad service and "moral problems," the Legal Daily newspaper said Monday. It cited poor management and lack of discipline in the industry, which has boomed in response to foreign tourists. About 8,000 cabs ply Beijing's streets, the paper said. (AP)

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	COND.		HIGH	LOW	COND.
Algeria	64	44	C	Bangkok	84	74	C
Austria	54	34	C	Beijing	44	24	C
Belgium	54	34	C	Bombay	84	74	C
Canada	54	34	C	Calcutta	84	74	C
France	54	34	C	Chengdu	64	44	C
Germany	54	34	C	Chongqing	64	44	C
Greece	64	44	C	Guangzhou	84	74	C
India	84	74	C	Hong Kong	84	74	C
Italy	54	34	C	Kobe	64	44	C
Japan	54	34	C	London	54	34	C
Kenya	84	74	C	Los Angeles	64	44	C
Madagascar	84	74	C	Manila	84	74	C
Mali	84	74	C	Medan	84	74	C
Mexico	84	74	C	Moscow	44	24	C
Morocco	84	74	C	New Delhi	84	74	C
Norway	54	34	C	Osaka	64	44	C
Poland	54	34	C	Shanghai	84	74	C
Portugal	54	34	C	Singapore	84	74	C
Romania	54	34	C	Taipei	84	74	C
Russia	54	34	C	Tokyo	64	44	C
Spain	54	34	C				
Sweden	54	34	C				
Switzerland	54	34	C				
Taiwan	84	74	C				
Tanzania	84	74	C				
Togo	84	74	C				
Tunisia	84	74	C				
Turkey	54	34	C				
U.S.A.	54	34	C				
U.S.S.R.	54	34	C				
Yugoslavia	54	34	C				

## U.K. Lawyers Fight a Rush to Judgment

**By Steve Lohr**  
*New York Times Service*

**LONDON**—In the last decade, occupations ranging from steelworker to stockbroker have been transformed by the relentless application of Prime Minister Margaret Thatcher's free-market principles. But few of the changes have been so sweeping or created such an uproar as the government's proposals last week to overhaul the legal profession.

The proposals are intended to increase competition, enhance the choice of legal services offered to clients and raise the competence of lawyers. They call for the most radical shake-up in the history of the British legal profession.

Two proposals have stirred the most debate: the effective abolition

of the traditional division of duties between solicitors and barristers, and permission for payment of lawyers through limited contingency fee arrangements, a step toward a U.S.-style system that a former lord chancellor called immoral.

In Britain, some 5,000 barristers have a virtual monopoly on presenting cases in court while the 47,000 solicitors are the only lawyers allowed to deal directly with the public.

Under the proposals, the demarcation would be wiped out. Solicitors could present cases in court and barristers could deal directly with clients, no longer having to use a solicitor as a middleman.

Renovation of her political system is part of the government's assault on restrictive practices in the profes-

sion and its broader campaign to make Britain a more consumer-oriented society. The National Consumers' Association called the proposed changes a triumph for the public.

"This is the sort of shake-up of the legal world that we have been calling for since the early 1970s," said David Trench, the organization's legal officer.

The intended overhaul also underlines government commitment to opening up the British economy, despite political risks.

In pushing change on the trade unions, state-owned enterprises and the National Health Service, Mrs. Thatcher has been attacking strongholds of her political opposition. In tackling the legal profession, the government is tampering

with the livelihoods of traditional Tory supporters.

The government proposals, possibly with some modifications after a few months of public debate, are expected to be introduced as legislation in the fall. Political analysts expect a rough ride through Parliament.

"The quality of justice is threatened and the public will lose," said Desmond Fennell, chairman of the British Bar Association, the barristers' trade group.

In Mr. Fennell's view, the changes would undermine lawyers' independence and spell the death of many small firms.

"It will introduce into this country an American style of justice with district attorneys, big firms of lawyers and an enormous increase in cost and delay," he said.

Under the plan, the only barrier to a lawyer's "right of audience" in court would be the government, which would grant licenses based on merit and experience. Up to now, barristers have represented the last bastion of total self-regulation among the professions.

In presenting the government's plans, Lord Mackay, who as lord chancellor is both the head of the British judiciary and a member of the cabinet, called them radical but fair.

The changes, government officials insist, are intended to improve the efficiency and cost-effectiveness of legal services in Britain, but should also make the legal profession more competitive internationally as 1992 approaches. That is when all barriers to free trade in goods and services within the European Community are to be removed.

**Democrats Urged To Soften Stance**  
*United Press International*

**WASHINGTON**—James R. Jones withdrew from the race for national Democratic Party chairman on Monday with a warning that the party must become more moderate or risk "buying our own doom."

The election of Ronald H. Brown by the Democratic National Committee was virtually assured last week when three other candidates for the job ended their campaigns and endorsed Mr. Brown, a liberal Washington attorney who would become the first black to lead the party.

Mr. Jones stayed in the race through the weekend, hoping to win the backing of more conservative party members who believe Democrats must move to the political right.

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### Dalai Lama Decrees Mourning for Panchen

**NEW DELHI**—The Dalai Lama ordered three days of official mourning for the Panchen Lama on Monday. Recognized by Tibetan Buddhists as the second most senior religious leader after the Dalai Lama, the Panchen Lama died of a stroke Saturday in Xigaze, Tibet.

Through some Tibetan exiles requested the Panchen Lama's decision to work with the Beijing government, the Dalai Lama, called spiritual leader of Tibetans, said the Panchen Lama "fought for the rights of the Tibetan people during the most difficult period" and "was indeed a freedom fighter."

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<b>6 Games</b>	<input type="checkbox"/> \$405.	<input type="checkbox"/> \$675.	<input type="checkbox"/> \$1350.







# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## The Emperor's Umbrella

John Tower, the defense secretary-designate, acknowledges what most strategic and scientific experts have long understood: Ronald Reagan's "star wars" scheme for defending the American population from a nuclear attack cannot work. Mr. Tower, who as a senator was a proponent of just such a defense, last week told a Senate committee, "I think that's just unrealistic."

Finally, a sensible view, and one said to be shared widely in the new administration. There is reason now to hope that President George Bush will cut back on the \$5 billion which Mr. Reagan wanted to spend on this fantastic space umbrella. It is a relief to hear officials face reality and declare that the old emperor has no clothes.

Unfortunately, many administration officials and members of Congress seem about to converge precariously on an alternative that could prove almost as illusory as star wars: a smaller and cheaper land-based system intended to blunt terrorist attacks and defend land-based missiles.

The wonder is that it took six years to abandon star wars. When Mr. Reagan launched the idea in 1983, there was momentary excitement. Might it actually be possible and affordable to defend mankind with space-based interceptors? It seemed, briefly, like a gallant vision. Then came the realization that the effort would violate the Anti-Ballistic Missile Treaty of 1972 and impede the president's efforts to reduce nuclear arms. That was followed by legal gymnastics to justify the illegality and scientific pyrotechnics to make it all seem feasible and affordable.

Throughout, President Reagan clung to his dream. But two years ago Congress summoned up the courage to reject the "legal" briefs and cut the Strategic Defense Initiative, as Mr. Reagan called it, back to a more sensible research scale.

At the same time, strategic experts like Senator Sam Nunn urged toward a more

modest plan for a land-based system to protect land-based missiles and bombers and guard against accidental attacks by small nuclear powers. But it is far from clear that such a system is either needed or feasible.

Do long-range bombers, which can scramble quickly, need such protection? Probably not.

Could not a small system to defend missiles be readily overcome by numbers of warheads and decoys or cruise missiles flying low? Probably.

And why would such defenses be necessary at all if Mr. Bush decides to deploy mobile missiles, which can escape destruction by dispersal?

As for terrorists, a human dictator would be much more likely to send someone with a suitcase than to launch a missile.

Even so, proponents contend that a small system would provide insurance. But at what price? The risks here are very low, but the premium is not: It would cost about \$50 billion.

More worrisome, a small system could be transformed into a larger, countrywide system.

Even the possibility of such a "breakout" by either superpower would trouble both. Each would calculate that the other side could strike first while using this son of star wars to guard its population from a retaliatory blow.

Nothing would be more unsettling to mutual nuclear deterrence.

As these questions are addressed, Congress and the new administration can continue research on defenses. That effort would be prudent and affordable.

Having thrown off the star wars fantasy with Mr. Tower's statement, the Bush administration would be unwise to persuade itself to accept yet another undigested plan that looks attractive only by its comparative modesty.

— THE NEW YORK TIMES

## Bush vs. Greenspan

Whenever a president speaks of "an area of difference" between himself and the Federal Reserve Board, he leaves the impression that policy is about to change. The stock market rose briskly on Friday after President George Bush's press conference, on the assumption that the Federal Reserve would now let interest rates come down. It was the second time in that week, his first in office, that Mr. Bush had nudged the Federal Reserve and its chairman, Alan Greenspan.

They are on familiar ground. Presidents always fear slow growth and rising unemployment, while central bankers always fear inflation. Both can look at the same economic reports and, as they are now doing, draw opposite conclusions. But the present evidence leans in favor of Mr. Greenspan. He laid out a persuasive case for caution in congressional testimony on Wednesday when he pointed out that last year the economy generated an increase of more than two million jobs. Labor markets are tightening and labor compensation costs are now accelerating. Higher compensation would not be inflationary if productivity were going up at the same pace, but American productivity is improving very slowly. As Mr. Greenspan observed, that is at least partly the result of an unhealthy low level of investment.

And, as he did not add, low investment is

a result of high interest rates. That is the economic trap into which the country has drifted.

The way out is obvious, but not painless. To develop its competitive strength — to speed up its technological development and to eliminate its trade deficit — America needs to spend less of its income on consumption. It needs to save more, invest more and get exports up. But as long as it runs very large budget deficits, it has to keep its interest rates high to contain the inflationary pressure. High interest rates discourage both exports and investment.

That is very visible in the 1988 national income figures that appeared on Friday. By the last quarter of the year the economy, aside from the farms and the effects of the drought, was expanding at a rate of about 3 percent a year. There was a disquieting pattern to that growth, for nearly all of it was coming once again from consumers' spending. From the summer to the autumn, both business investment and net exports fell.

The trap is unbreakable as long as the budget deficit persists. To get interest rates down without causing more inflation, Mr. Bush has to begin with the deficit. If he can put in place a solid and realistic plan to eliminate the deficit, interest rates will fall automatically. Mr. Greenspan wouldn't have to lift a hand.

— THE WASHINGTON POST

## From Bad to Worse

The Bush administration, barely a week old, has already managed to throw more confusion into the savings and loan crisis. Incidentally, Treasury Secretary Nicholas Brady has floated the notion of a "user fee" on bank and savings accounts to pay for insolvent savings and loan institutions. Predictably, he heard anxious S&L depositors, who started pulling their money out, and angered depositors everywhere. An already bad situation has now become worse.

Mr. Brady's blunder, which officials still do not acknowledge, is only the latest in nearly a decade of federal connivance and mismanagement that allowed this crisis to metastasize. When will it end? More to the point, when will Washington admit its errors, face the problem and offer a plausible solution?

A third of all S&Ls are insolvent. The eventual cost of bailing out the bankrupt ones is expected to reach \$100 billion, and that figure goes up by \$1 billion each month. The trouble began with reckless deregulation in the early 1980s, when soaring interest rates put the industry in a bind. Savings institutions were freed from their historic tie to home mortgages and allowed to speculate.

Heavy S&L real estate losses soon spelled trouble, but a shamelessly protective Congress refused to let regulators shut down even the worst S&Ls. When relief was finally voted in 1987, it was inadequate. Then the Reagan administration and Congress both looked away, praying that no disaster would occur before the 1988 elections.

The mess is now in President George Bush's lap, and the immediate question is how to pay for it. The failed S&Ls and their managers — some corrupt, others careless or incompetent — are a dry well. The Federal Savings and Loan Insurance

Corporation's funds are low, even with the extra premiums that healthy S&Ls have been paying.

Some officials want to tap the commercial banks' insurance fund. Understandably, the banks object. Because of the federal budget deficit, dipping into the Treasury for the full amount is out of the question. But borrowing bailout money would cost money, too. With Mr. Bush adamant about not raising taxes, Mr. Brady is forced to dream up schemes — like a new deposit fee on "users" of deposit insurance, now financed with premiums paid by the insured institutions.

The very idea of assessing savings accounts good sense when the economy desperately needs more investment. At the least, a fee would drive savers into uninsured money market funds or still riskier places.

But whatever the economic impact, the Treasury should know better than to go anywhere near people's private bank accounts. Only a few years ago, Washington ignited a storm by attempting to withhold taxes from interest payments.

In a lame attempt to explain that the fee would not be a tax, Mr. Bush likened it to the entrance fee at Yosemite National Park. The semantics are silly. What is important is not how one labels the necessary bailout money; it's who pays it.

It is hard to see why prudent savers alone should pay for rot that the government knew about and failed to remedy. The crisis is a national problem; eventually all taxpayers will have to share the cost of the cleanup. Meanwhile, to prevent still more trouble it is the administration's and Congress's job to reorder the slipshod regulation that bears central blame for this scandal.

— THE NEW YORK TIMES

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## OPINION



## Soviet Reform: Expect Detours on a Long Trek

By William H. Luers

NEW YORK — As George

Bush's aides begin their study of East-West policy options, they can safely dismiss two scenarios for the Soviet side of Europe in this century. First, it is virtually inconceivable that the Soviet Union will become a modern industrialized social democracy, while permitting the East European Communist countries to become peacefully incorporated into a united Western Europe.

Second, we can dismiss the vision of a return of Stalinism after a collapse of the Gorbachev reform effort.

A future leader might draw on police state methods to maintain control in the Soviet Union and Eastern Europe. But Mikhail Gorbachev's glasnost has shown the Soviet people the unspeakable horrors of a period of blind devotion to a tyrannical ruler of a new society. Besides, communism's true believers and committed bureaucrats are largely gone, and another ideological mission inspires no one.

An analysis of how Soviet Europe might look in the late '90s should begin, sadly, with the assumption that Mr. Gorbachev will fail as reformer. How would the West and Soviet leaders manage this failure?

Mr. Gorbachev has set himself an unprecedented task: to change the course of Soviet development and

Russian history. This remarkable man has asked his country to chuck it all — the Communist future, superpower pride, the empire, price stability and job security. For what? For a little more freedom, a chance to join a world in which democratic process is more important than might and the individual more important than the state. He has promised better consumer goods in the distant future, but this further delay is not a winning message for a people whose standard of living has worsened for a decade. Realistically, his program will take more time than he has — probably one or two generations.

How might the Soviet Union manage a failing reform effort? The first alternative — the bleakest — is that a new militarism would emerge to stop the erosion of central authority and the collapse of empire. A grave political dilemma might arise that would challenge Mr. Gorbachev to use massive force. A decision either for or against using force could mean the end of him and perestroika.

For example, a successful popular uprising or dramatic shift in power in an East European country, or in a Soviet republic, would challenge him to send in troops. A decision to use

military force might well destroy or seriously impair perestroika and other reforms. But failure to use force could provoke conservative leaders allied with the military to replace him and his policies.

What might follow would be rule by a clique of chauvinistic military and civilian Russian conservatives who would be determined to hold on to empire and to nuclear superpower status at all costs. The regime would rely on the military to maintain order in Eastern Europe and at home, returning Europe to the Cold War.

This leadership would desperately try to avoid the humiliation suffered by Czar Nicholas II, who early in this century saw his system and empire slip away. We must never underestimate Soviet concerns about national security, and fears of national humiliation.

A second, more benign alternative future is possible.

We can imagine a Soviet Union, in the late '90s, in internal economic and political flux, playing out its role as a developing country. It might be the Mexico of Europe, but with nuclear weapons — yearning for technological transfers, swamped by debt, providing free trade zones and migrant workers to the booming economy of a united Europe.

Such a Soviet Union would be working toward a new form of socialism, with a mixed economy. Eastern Europe, in considerable disarray, would still be militarily allied with the Soviet Union.

East European Communist parties would occupy key positions but would not be in total control. Their economic systems would be socialist but with close economic ties with the European Community.

These visions of the future are not very optimistic. Western policies can probably have only a modest influence on the outcome. But two major considerations seem apparent.

The process of Soviet change will be wrenching and long, with many setbacks and increasing potential for national humiliation.

And the process of change in Eastern Europe is likely to be tumultuous, even violent, for countless considerations of national passion, conservative obsession, personal ambition and popular anger will not allow the obdurate oligarchies to code power easily.

With this in mind, President Bush's advisers should consider the following propositions.

First, America and its allies should engage Eastern Europe's reform efforts constructively and directly. The West should encourage diversity but should not exert discord with the Soviet Union, and should recognize that for the first time in modern history the West may have a common cause with the Soviets in Eastern Europe: peaceful change toward more efficient, more humane systems.

Second, the West should expand trade and credits, with the aim of promoting private, cooperative, and joint-venture commercial activity while avoiding aid programs and large-scale capital infusions in Soviet Europe.

Third, the United States should talk regularly with its allies and Soviet leaders about managing the chaotic transition of the East European nations from Stalinism to pluralism. It must strike a delicate balance between supporting respect for human rights and national independence while guaranteeing that Soviet security is not threatened by change in Eastern Europe.

Fourth, Washington should place the new round of conventional arms reductions in Europe high on the agenda, since success would provide an index of the potential for achieving a benign future for Central Europe.

President Bush surely knows that he can probably not help perestroika in the Soviet Union and Eastern Europe. But it is important that he understand the need to avoid humiliating the Russians at this time.

Restraint from opportunism — in particular, from pressing for dramatic political change in Eastern Europe at critical moments of Soviet crisis in the region — could help avoid another Cold War. It will take as much restraint in Washington as in Moscow to make it possible for Mr. Gorbachev's revolutionary and hopeful beginnings to bring his country into a more peaceful, more cooperative relationship with the 21st century world.

The writer, president of New York's Metropolitan Museum of Art, was ambassador to Czechoslovakia from 1983 to 1986. He contributed this comment to The New York Times.

## 100, 75 AND 50 YEARS AGO

### 1889: Austrian Heir Dies

PARIS — Our despatches from Vienna announce the sudden death, while shooting, of Archduke Rudolf, the Crown Prince of Austria-Hungary. Prince Rudolf was a thorough liberal in politics, and took for his model the much beloved Emperor Joseph II, son of Maria Theresa, who first endowed Austria with the germs of Parliamentary Government, and who tried his best to make Austria the most liberal nation on the continent of Europe. Prince Rudolf firmly believed in Austrian independence and in Home Rule for each of the many nationalities.

### 1914: Daring Flight

PARIS — Parmelin, the Swiss aviator, has arrived at Geneva with the intention of making a flight across Mont Blanc. Parmelin will attempt first of all to beat the Swiss altitude record created by Ried, who reached a height of 3,600 meters, and will afterwards start on his flight from Collet-Rossey.

## In Africa, Marxism Is Passé

By Anthony Lewis

BOSTON — Nearly 30 years ago, in "The End of Ideology," Daniel Bell wrote that the universalist political ideas of the 19th century were exhausted. Marxism in particular, its premises about the crisis of capitalism and the superiority of socialist organization had simply not squared with reality.

When the book was reissued last year by the Harvard University Press, Professor Bell said wryly in an afterword that it was better known for its title than its contents. But all about us we see the vindication of his insight: the exhaustion of Marxism.

The point was brought home to me just now in the context of visits to Angola, Zambia and Zimbabwe. Most newly independent African countries hatched their economic hopes to some version of socialism. The results have been disastrous. Now the flight from Marxism has become a stampede.

Angola is a dramatic example. Its government took power as an independence in 1975 as a Marxist movement. It has been supported by massive Soviet aid and Cuban troops. For those reasons it is anathema to American conservatives, and the United States aids the rebel movement of Jonas Savimbi, who, ironically, used to talk just as fierce a Marxist line.

Today in Luanda one hears little Marxist ideology. The emphasis is on movement toward free markets — to whatever works. Pragmatists seem to have prevailed in a struggle within the ruling party, the MPLA. A key figure among them is Pedro de Castro Van Dunem, until lately minister of state for petroleum and production but just appointed foreign minister, said recently: "The biggest mistake we made was to make the state sector larger and larger when we did not have the capacity to manage it. There will be a very big reduction of the state's participation in the economy."

Mr. Van Dunem attended a conference in Lusaka, Zambia, this month. There he gave high praise to the American officials who mediated the recent agreement with South Africa.

Asked by reporters about his government's ideology, he said: "We are an Angolan state first — with a socialist orientation, but not Marxist, and not Communist. No proletarian revolution."

American oil men who do business in Angola — big business — say they find the officials with whom they deal straightforward and practical, with no ideological hang-ups. Jack Blackmer, resident manager for Conoco, told me: "It's easier to do business here than in some places in the States."

Angola began its economic reforms two years ago, before Mikhail Gorbachev's perestroika got going. But the new Soviet attitudes are surely having an effect in Angola, elsewhere in Africa and the whole Third World.

Last year an article in the Soviet journal *Liternurnaya Gazeta* spoke of the "new" — and bad results — of trying to apply Marxist theories to economic development in Africa. Where it has influence, the U.S.S.R. is hardly likely now to object to African governments moving to free-market methods. Moscow also wants to reduce its foreign aid costs.

When Mr. Bell wrote about the exhaustion of the old universal theories, he said that the new states of Africa and Asia were fashioning their own more parochial ideologies. But those, too, seem to have faded in Africa. People are concerned with the necessities of daily life: food, clothes, shelter. They care not about a government's slogans but about its effectiveness.

In those terms Zimbabwe is a success story. Robert Mugabe has an egalitarian socialist vision, but he has not followed an ideological line. The country is prosperous.

Zambia is a sad contrast. Its president, Kenneth Kaunda, is rightly honored as a great figure in the African liberation movement, but he has paid a high price for an economic policy that has failed. Zambia has fallen to be a basket case in the last 15 years. Store shelves are empty.

The Zambian government blames everything on external forces, like falling prices for its copper. Those problems are real, but so are corruption and the folly of trying to run the economy from an incompetent center. For that reason I thought it was unfortunate that Jesse Jackson, speaking in Lusaka this month, denounced the IMF as "slave masters." The IMF makes mistakes, but governments like Angola's understand that its disciplined advice has value.

The issue in Africa can be summed up in a phrase I heard somewhere in America last year: competence, not ideology.

— The New York Times

## Starvation Before Peace?

THERE is a 19th century quality to the spectacle of ragged rebels closing in on Kabul as the Russians prepare for a final withdrawal. The disintegration of government resistance around the country has taken place even more swiftly than predicted. The mujahidin now say that they prefer not to inflict excessive casualties by bombarding the capital, but to starve it into submission.

The West's role over the past nine years has been considerable. It set itself the task of reversing the Soviet Union's first act of territorial aggrandizement after Yalta. (The result is) a famous victory for America and its allies.

Western responsibility will not cease once the Russians have gone. The country is devastated by war, and the cost of resettling the world's largest refugee population will be huge. The West should help to provide the massive amounts of money required, on condition that its friends among the mujahidin pursue policies of reconciliation and reconstruction, not revenge.

— The Daily Telegraph (London)

THE mujahidin may be missing an opportunity to become part of a new government if they keep on insisting on the total exclusion of the People's Democratic Party or gratuitously trying to draw a distinction between Afghans who are "Moslems" and those who the mujahidin think are not. The resistance has already forced the Soviet Union to talk to it. But to expect it to totally abandon all its supporters in Afghanistan would be unrealistic. The most urgent need of Afghanistan is to achieve peace and reconciliation so that all the refugees can return home. If the mujahidin leaders get trapped in too many details, they will be accused of delaying the establishment of peaceful conditions.

— The Khaleej Times (Dubai)

THE Soviet position is that they are not withdrawing from a defeated Marxist revolution but from an awkward situation created by pretenders. The Afghans in Kabul are being depicted as opportunists who spoke phrases from Marxism in order to obtain favors from the Soviets. It may not comfort the families of Soviet soldiers slain in Afghanistan to hear that they were the victims of a bunch of clowns, but that seems to be the party line. By putting those make-believe Marxists in their place, the Soviets are setting the stage for a departure from Afghanistan with dignity. They will be able to cross the Amu-Darya River on Feb. 15 with their moral attitude intact.

— Rhea Talley Stewart in The Hartford Courant



## OPINION

## Go After That Runaway Law

By William Safire

WASHINGTON — Back in 1969, when law 'n' order was a very issue, we all had this great idea: Congress would pass and the president would sign a law making it a crime for mobsters to take over legitimate businesses.

That new legal weapon would make it possible, we told each other, for crusading prosecutors to break the back of organized crime.

Thus was born the Racketeer Influenced and Corrupt Organizations Act — "RICO" for short — the catchy acronym recalling the character played by Edward G. Robinson in the granddaddy of gangster movies, "Little Caesar."

"Everybody knew, with great certitude, the answer to that: law-sharks and drug kingpins and prostitution overlords and casino operators who hired murderers and arsonists to enforce and extort you know, the designated bad guys who presumably did not deserve the rights of due process that should protect all of us."

To make certain the racketeers did not escape, the law's drafters threw in the kitchen sink. To murder, kidnapping and extortion were added all sorts of lesser crimes, right down to mail fraud.

"A pattern of racketeering" was defined as two acts of any sort of wrongdoing within 10 years. The statute was written broadly, on the innocent assumption that prosecutors would use it responsibly.

Two decades later we are dealing with a legal monstrosity. Politically ambitious prosecutors in New York, Chicago and elsewhere, ignoring Justice Department guidelines, have been misapplying RICO to targets who have nothing to do with organized crime. Nuclear artillery is being used when elephant guns would do.

Because accused Mafia fronts had a way of making funds instantly disappear, the law made it possible for prosecutors to seize assets before trial. That threat, aimed at legitimate companies unconnected to mobsters, is Red Queen justice — verdict first, trial afterward.

Moreover, in many cases the mere labeling of a company and its officers "racketeers" and "corrupt" in an indictment is enough to cause ruinous overnight.

That threat — an abuse of prosecutorial power made possible by RICO — caused Drexel Burnham Lambert to settle with "rough Rudy" Giuliani just in time for his entry into New York's mayoral race.

Drexel may have broken rules calling for indictment under normal statutes, but its junk bond dealings did not include the kneecapping.

and Nixon on that understanding. "Instead of being used against mobsters and organized criminals," wrote the Supreme Court three years ago, "it has become a tool for everyday fraud cases."

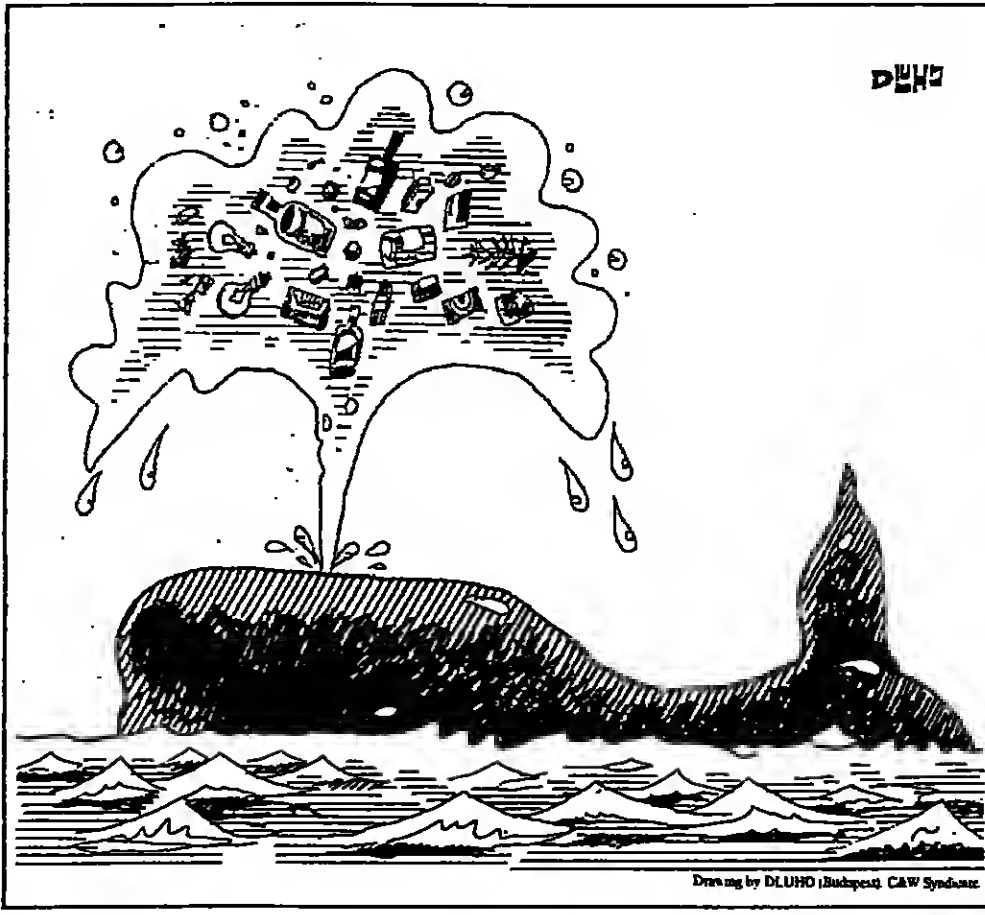
But the court struck down judicial narrowing of the too-broad legislation. "It is true that private civil actions under the statute are being brought almost solely against such [legitimate] defendants, rather than against the archetypal, intimidating mobster. Yet this defect — if defect it is — is inherent in the statute as written, and its correction must lie with Congress."

A huge defect it is. The runaway law snatches power from states and centers it in federal court, hands a blunderbuss to prosecutors and a moneymaking cause of action to professional litigators.

In the House Judiciary Committee the ranking Republican, Hamilton Fish, is ready to correct it. The new chairman, Jack Brooks, is a Texas populist but may not be in the anti-business pocket.

"Mother of mercy," cried the dying mobster in the movie, amazed at how his chest had been riddled with bullets. "Is this the end of Rico?" Let's hope so.

The New York Times



## Sing 'Happy Birthday' Instead of Playing It

By Jane Goyer

WORCESTER, Massachusetts — Since I'm 95 years old, it may be a case of "you can't teach an old dog new tricks," but I'm just not comfortable with new appliances. They make me nervous and seem to know I'm a square. They never work for me.

I had a microwave. The first time I used it to bake a potato, it exploded (the potato did), and cleaning up

## MEANWHILE

the oven was no fun. I still can't understand how you can cook with an oven that doesn't get hot.

You never know what is going on with the new cleaning machines. You see only a tiny red light or hear a faint beep. I knew when my old style vacuum cleaner was working, it went "clunk, clunk, clunk" and buzzed, so I knew something was going on there.

One of my friends has a kitchen that resembles a mad scientist's laboratory. This same friend recently "renovated" her bathroom, and I'm afraid to enter it.

Another family I know has an "entertainment center" — a television, a video cassette recorder, a projector and large screen, a stereo and several strange machines I am not familiar with. I asked if they could play some old songs I loved. "No," they said.

And every family with children must have a computer. How else could they do their homework?

I met a young mother the other day on her way to the tape rental store to get a new tape for her 3-year-old Jimmie. "He's getting very bored with the one he has," she said. I thought of the records I played over and over again for my kids, and how they never tired of them.

Do children need to learn basic skills nowadays, with these modern machines ready to do anything at a minute's notice? Do they need to take cooking lessons, when dinners come ready to place in a microwave oven and are ready to eat in a few minutes? I heard a child remark in a supermarket, "Look, Mom, only six minutes," as she held up a TV dinner.

As for the video recorder, I can live without it. Not long ago I went to visit a friend I hadn't seen for a long time. She greeted me with: "Oh! You are just in time to see my new movie!" As soon as it was over, I hurried to get home because it was getting dark.

This year my kids didn't sing "Happy Birthday" to me. They played it, while they just stood and looked at me. I didn't enjoy it at all. I guess I'm just not ready for all this.

What they should invent are bottles and jars that open at a touch. Typewriters that never need a new ribbon. Fans that won't allow anything to burn. Oh, wonderful world!

The writer is a columnist for The Worcester Senior Advocate. This essay appeared in The New York Times.

## LETTERS TO THE EDITOR

## The Reagan Record

In response to "Reagan Popularity: A Postwar Record" (Jan. 19):

Much of Ronald Reagan's record in the area of international peace is attributable to chance. During his administration many conflicts had been going on for some time, Angola, Afghanistan, the Gulf War and Cambodia are examples. That these areas are getting free winds is not due to the Reagan administration, but more to the fact that the people there are tired of warfare.

In respect to East-West détente, the chief personality is Mikhail Gorbachev. President Reagan could not have achieved this record without him.

The Palestinian problem, Beirut and Nicaragua are testaments to the failure of Mr. Reagan's policies.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Only Gadhafi-bashing stands out as a success.

On economics, the review could be mixed. There is growth, but the mortgaging of the future is a debatable issue.

Still, all said, Mr. Reagan had America looking better than at any time I can remember.

M. D. SHANKAR

Surabaya, Indonesia

According to the article, the 1,533 people who expressed their opinions were interviewed by telephone. What about all the poor and homeless Americans who do not have telephones? Since they were excluded, the poll was one-sided.

HANS WILMERDORFER

Rio de Janeiro

## Ban Defoliants, Too

Why weren't defoliants such as Agent Orange included in the list of chemical weapons that the Paris conference ("Forum Bolsters Prospect of Ban on Toxic Arms," Jan. 12) proposed banning?

The United States dumped enormous quantities of these chemicals on Vietnam. Entire forests, as well as birds, fish, farm animals and

crops were destroyed. Some areas in that country remain barren today.

Civilians and soldiers on both sides of the conflict died after coming into contact with the chemicals. People are still dying from these poisons. One victim last year was Elmo R. Zumwalt 3d, son of the former chairman of the U.S. Joint Chiefs of Staff.

DONALD ALLAN

Bagnaux, Switzerland

## Sovereignty for Whom?

Regarding "Go to the Source" (Opinion, Jan. 6):

President François Mitterrand of France was quoted as saying, "There are undoubtedly cases when prevailing injustice prompts exasperation and violence from peoples which are entitled, like others, to have their sovereignty recognized, and the right to self-determination." Does this apply to Corsicans and Basques?

HERBERT MAZA

Aix-en-Provence, France

## More on the Down Side

Regarding "Mont Blanc Is 3.2 Meters Lower" (Science, Jan. 19):

F. G. HAWKINS

Orléans, France

## North: The Right Fight

In response to the editorial "North: Still Accountable" (Jan. 7):

Oliver North is a great American. He may or may not have violated a principle or a U.S. law, but he was fighting for democracy. His enemies were and continue to be those in the news media who have become so sensitive to petty moral and legal issues that they would uphold the Marxist border in Cuba, Nicaragua, El Salvador and elsewhere.

D. E. DUNLAP

Monaco

## GENERAL NEWS

## Rabb's Eventful Years in Italy

U.S. Envoy Fought for INF and a New 'Renaissance'

By Jennifer Parmelee

ROME — Maxwell M. Rabb has put in what he wearily calls "eight long years" while becoming the longest-serving U.S. ambassador to Italy: there were Mafia wars and trade battles, tax and extradition treaties signed, tension over Libya and Mr. Rabb says, six plots against his life.

His tenure is now ending. When George Bush was elected president, Mr. Rabb submitted his resignation, as is customary. Administration officials say it has been accepted.

Recently, Mr. Rabb, 78, looked back on his stay in Rome — bracketed roughly between Italy's acceptance in 1981 of unpopular NATO nuclear missiles, and its acceptance last year of the F-16 fighter-bombers rejected by Spain. Both were remarkable gestures that, to Mr. Rabb, made Italy "the best ally, maybe, that we have."

It was not always that way. In 1981, the United States was worried by signs of a possible resurgence by Italian Communists and considered that Italy had "a rotten record" on terrorism.

But Mr. Rabb says he believes Italy's acceptance of the missiles and its skill in gaining the release of an abducted U.S. general helped catalyze a new Italian renaissance, marked by an unusual period of political stability, prosperity and newfound respectability. He credits himself with having lobbied hard on Italy's behalf, helping effect a dramatic change in the U.S. image of the country.

"I'll tell you how bad it was at the time, with the United States," Mr. Rabb said. The president of Italy, then the popular Sandro Pertini, was planning a trip to the United States and could not get an invitation to the White House.

Pertini asked me to get him over, and that was the first time I said to Washington, "You invite him over if you expect anything in return," Mr. Rabb said, thumping the table for emphasis.

In Washington, Mr. Pertini, who was then 85, created what to Mr. Rabb was an unforgettable image of U.S.-Italian friendship. During a White House ceremony, Mr. Pertini was standing on a platform flanked by President Ronald Reagan and Mr. Reagan's wife, Nancy, listening to their countries' anthems.

Then Pertini broke ranks and went over to the American flag, Mr. Rabb said. "This old man lifted the folds of the flag, kissed it and went back. Never had this happened before. And that picture was all over the world the next day."



"I said, 'Gentlemen, if you will deploy the INF and construct the base for the INF, you'll make me a big man in Washington.' Four days later, we got it."

Maxwell M. Rabb

Another important moment came on a June day, one week after Mr. Rabb's arrival in Rome. He said he was feeling pleased about his new assignment when he received a cable from Washington telling him that it was "imperative" he persuade Italy to accept 112 intermediate-range nuclear missiles.

The imperious language was telling, he said: "Not 'It is important that you consult with the Italians on this matter,' but a direct order. The missiles had been spurned by other U.S. allies."

"It was with a somewhat heavy heart that I went to the meeting of the prime minister and his leadership," Mr. Rabb said. There were, he added, what seemed to be "an abnormal number of cabinet members there just to take a look at me and size me up."

"I poured out my story and frankly was pleased that there was

so much patience in the attitude of those listening," he said, "thinking to myself, 'Maybe I'm making some progress.'"

But when he finished, Prime Minister Giovanni Spadolini replied, "But Mr. Ambassador, look at the other countries in the alliance — what are they doing?"

His hand fluttering in the air, Mr. Spadolini said that maybe, in a year or two, the Italians might consider the idea. "In other words, very distinct 'no,' but done diplomatically," Mr. Rabb said.

Mr. Spadolini then asked whether the U.S. envoy had any important addition to make to his argument. To the Italians' surprise, and his own, Mr. Rabb said that he did.

"I didn't act in a very Foreign Service manner," he said. "I said, 'Gentlemen, if you will deploy the INF and construct the base for the INF, you'll make me a big man in Washington.' Four days later, we got it. The whole world was astonished. How did Italy, the follower, take the lead to do this?"

"That," Mr. Rabb said, "was the beginning of the present modern greatness of Italy."

He asserted that "without Italy, we would never have had the Gorbachev-Reagan agreement eliminating a whole category of nuclear arms" because "the missiles in Italy were the bargaining chip."

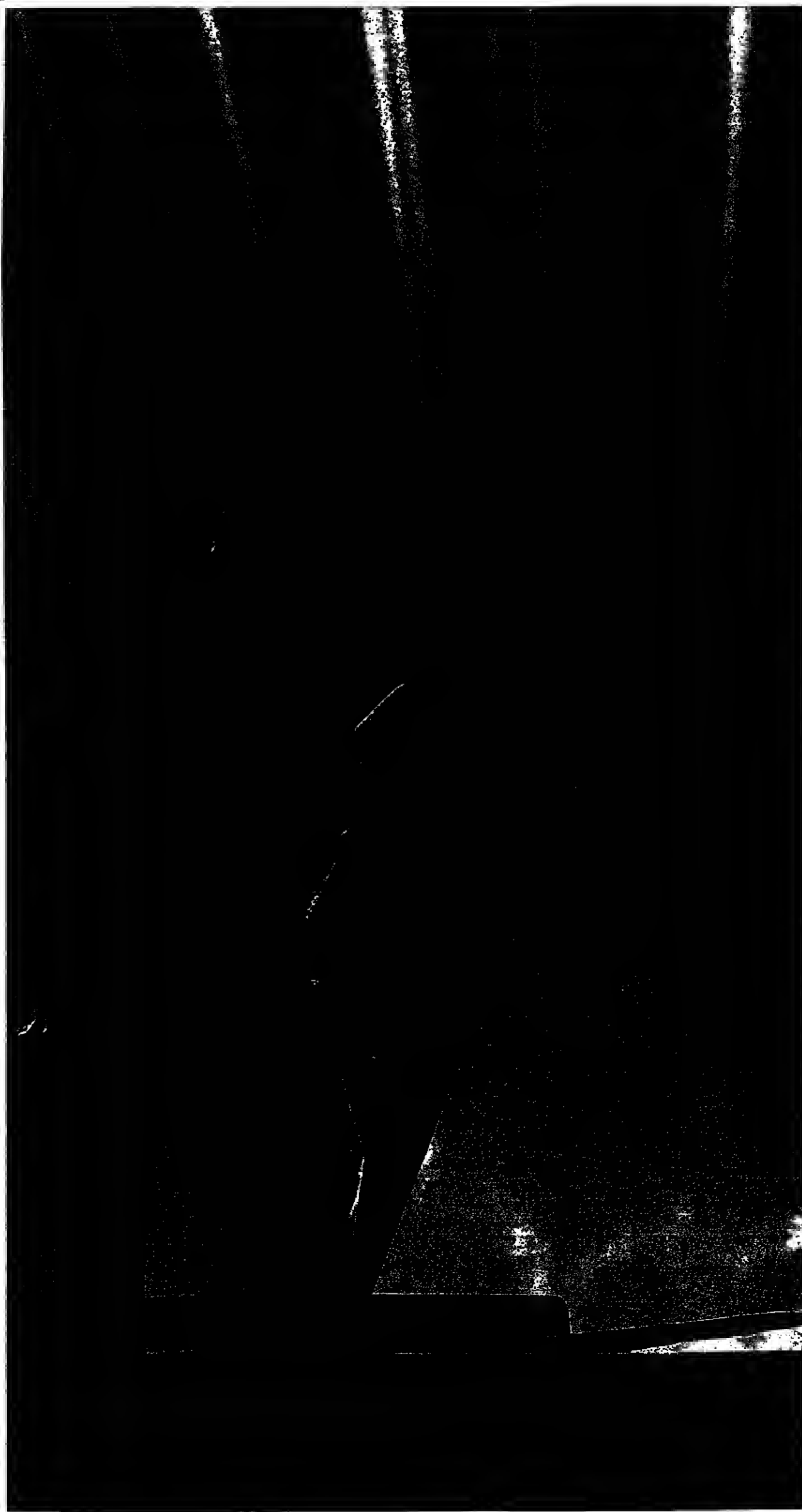
The Italian government also followed the U.S. lead in joining the multinational peacekeeping force in Lebanon and in dispatching minesweepers to the Gulf. Last year, Italy accepted 79 American F-16 fighter-bombers that had been rejected by Spain, a fellow member of the North Atlantic Treaty Organization.

Yet to many Americans, the image of Italy as a valuable ally is undermined by the impression that it is sometimes soft on terrorism. The Achille Lauro affair of 1985 — in which the Italians allowed the accused mastermind of the hijacking, Mohammed Abbas, to go free — angered many Americans. Italy also has substantial economic and political ties to Libya.

Mr. Rabb called terrorism "almost the key source of problems today" between Italy and the United States, saying, "Whether it's the Mideast or it's Libya, it all comes back to this basic subject."

At least one of the plots to kill him was planned by Libya, he said. The Italian police foiled it.

Mr. Rabb is quick to say that "Italy is probably the best nation in all of Europe in suppressing terrorism, in working hand in hand with the United States," even while "preserving its own point of view, its own attitudes and independence."



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ARTS / LEISURE

# Barenboim Going to Chicago Symphony

By Barry James

**T**HE Chicago Symphony Orchestra announced Monday that Daniel Barenboim, the recently deposed artistic and musical director of the new Opéra Bastille in Paris, has accepted an invitation to become its ninth musical director, starting at the beginning of the 1991-92 season.

In Chicago, Barenboim will succeed Sir George Solti, whom he followed as musical director of the Orchestre de Paris in 1975. Solti, 76, is retiring.

This is Barenboim's last season at the Paris orchestra, where he will be succeeded by Semyon Bychkov, the young Russian-born conductor who heads the Buffalo Symphony Orchestra in New York.

In a farewell tour with the Orchestre de Paris to the United States, Japan and the Soviet Union, Barenboim will conduct an all Debussy program in Chicago on Feb. 27, his last performance as musical director of the French ensemble in America.

Solti said at a news conference in Chicago that he welcomed Barenboim's appointment "with the greatest pleasure."

"I have known him, and I have been closely involved in his development as a conductor for many years. He is my first choice," Solti said. "I believe that Daniel Barenboim will lead this wonderful orchestra with a firm musical hand through the opening years of its second century. He and I will continue to work together in the years ahead in the very best interests of this outstanding ensemble, which we both love."

The search for Solti's successor began at the end of 1986, when the conductor said he wished to step down at the end of the Chicago orchestra's centennial season next year. Barenboim will officially begin his tenure in Chicago on Sept. 1, 1991. Solti will continue to conduct and make recordings with the orchestra.

Barenboim, 46, had resigned from the Orchestre de Paris, effective July this year.



Daniel Barenboim, Chicago-bound.

in order to dedicate himself full time to his duties at the \$400-million Bastille Opéra in Paris.

But after a public argument between Barenboim and Pierre Bergé, the president of the Association des Théâtres de l'Opéra de Paris, the position of musical director was declared "vacant." Bergé, who is also the chief executive of the Yves Saint Laurent fashion and luxury goods empire, complained about the "intolerable" size of the salary and conducting fees that Barenboim was to have earned at the Bastille, and accused the conductor of planning an elitist program that was out of keeping with the populist aims of the government.

According to Bergé, Barenboim's contract guaranteed him about \$1.3 million a year. It was signed a few days before the election of a socialist government last May. President François Mitterrand is supporting Bergé against Barenboim. The conductor earlier said he was willing to renegotiate

the financial terms of his contract, and said the real issue between him and Bergé was that of artistic control. A spokesman for the Chicago Symphony Orchestra said the amount earned by the music director there was not a matter of public record, and added that Barenboim would have a free hand in controlling the orchestra's music program.

"Mr. Barenboim has been coming to Chicago as guest conductor for the past 20 years," said Joyce Idema, the director of public relations for the orchestra. "He is very well-known and liked here. We got the best there is and we are thrilled."

Barenboim, 46, who is one of the world's leading concert pianists, will work with Solti between now and the time he takes over as musical director in order to ensure a smooth transition. Not only has Barenboim conducted frequently with the Chicago Symphony Orchestra, but he has also made several recordings with it.



Chantal Lefèvre and Ivan Liska dancing a pas de deux.

## Hamburg Cheers Modern 'Peer Gynt'

By James Helme Sutcliffe

**H**AMBURG — The Hamburg Ballet's "Peer Gynt," based freely on Henrik Ibsen's epic play, was wildly cheered by an audience which stayed for more than half an hour at the world premiere—a rare event in Germany—to applaud choreographer John Neumeier, his superb team of dancers and the Russian composer Alfred Schnittke, who created a new score for the choreographer's scenario.

This in itself has become a rarity, and it was a first for Hamburg. Neumeier's other ballets like "A Midsummer Night's Dream" mixed the already existent music of Mendelssohn and Ligeti. "Don Juan" used Gluck's ballet music expanded by choral movements of Tomás Luis de Victoria. "A Streetcar named Desire" went down the road traveled by most modern choreographers, that of finding an orchestral work that more or less matched the choreography they intended to create, in that case, Schnittke's 1st Symphony. Neumeier's "Otello and Desdemona" had a score written specifically for it by the Berlin-based American composer Gerald Humel but, rejected by Hamburg, had to be world premiered at East Berlin's Komische Opera last September.

Schnittke's two-and-a-half-hour score for "Peer Gynt" is in the great Russian balletic tradition, though completely modern in its methods. Told in three acts with a prologue and epilogue, in clearly defined musical sections, each reflecting the nature of the choreographic scene it accompanied and often with instrumentation unique to that scene, Ibsen's tragic familiar tale. It is that of the wild mountain youth who abducts someone else's bride, leaves his mother Aase and the faithful Solveig waiting for him in the fastnesses of Norway and experiences the heights and depths of success and failure in a wider world in search of himself, only to find that it was Solveig's belief in and love for him alone that made him unique.

But Neumeier, the American director of the Hamburg Ballet, would have been untrue to the springs of his creative fantasy had he not his preoccupation with the subconscious and his knowledge of the glitzy world of "entertainment" fourth expression in the "Peer Gynt" story as well. The prologue, danced in silence (a favorite Neumeier device) presents us with six aspects of Peer's character before

Aase gives birth to him and he emits his Ur-scream.

Dancers representing Aggression, Despair, Eroticism, Ebulience etc., appear later with him in various scenes, pointing to his course of action. The seventh abstraction is Peer's Anima, and Neumeier had the wonderful idea of giving this role to the exquisite dancer of Solveig, Gigi Hyatt. The "other" women in his life are Chantal Lefèvre, in the hilarious multi-character role of the bride Ingrid, the Green Troll Princess and the seductive Anitra. Peer's pas de deux with Solveig, the first in the tender bloom of youth, the second after she has become blind, and with Ingrid—she trying to escape him—are overwhelmingly beautiful examples of Neumeier's choreographic art, classic ballet movement extended by angular elements from modern dance and jazz steps.

And what a droll idea to make the Trolls black and yellow pin-striped or polka-dotted couples at a dance tournament. Schnittke's stately cortege parodying the ballroom atmosphere as the ungainly tuba had earlier characterized the peasant wedding. Act 2 takes us to Hollywood where Peer's dancing star rises as Anitra's falls and he experiences the madness of over-ambition. Peer's eventual return to Norway and Solveig find moving expression in the epilogue, called Peer-Everyman, in which he and she dance an unending, slow-motion pas de deux gradually surrounded by other couples on the road of life. Schnittke's music rising to a transcendental climax with organ, harpsichord, celesta, piano and seven percussionists adding dabs of color to the grand, seemingly immobile choral sounds that die away as the light fades.

With great washes of textured hues on segments of settings suggesting mountains, fjords, but also movie studio make-believe, designer Jürgen Rose created uncluttered, precisely fixed open areas where dance could predominate. And that it did in the magnificent study of Peer, on stage almost all evening, danced by Ivan Liska. "Peer Gynt" is a dance-drama that bears all the hallmarks of greatness.

Following it's Jan. 22 premier, it entered the permanent repertoire of the Hamburg Staatsoper and will be performed three times a month until June when it will form part of Hamburg's 15th annual ballet festival.

James Helme Sutcliffe is a Berlin-based critic and musician.

## Gianni Versace and His Flair for the Dramatic

**P**ARIS — "When I was a little boy in Calabria and we walked past the brothel, my mother would cover my eyes," says Gianni Versace. "From behind her fingers, in my imagination, I would see the most beautiful, incredible women, magical women, strong and sweet



Gianni Versace; at right is one of his theater designs, a costume for Richard Strauss's "Salome."

**SUZY MENKES**

and simple. That is the feeling I am trying to create for the bordellos scene in "Faust."

Versace came from Italy's deepest south and made his design reputation and fortune in northern Milan. His childhood memories of Sicily are not just appearing in the stage costumes he is creating for "Faust" at La Scala in May. They are also the wellspring for Atelier, a design studio for one-of-a-kind, entirely handmade creations which Versace launched in Paris last week.

"I feel that I am going back to my roots with the Atelier," says Versace. "My involvement in fashion started with my mother and her small dressmaking business. Now, after 20 years of pressure, this is going to be my freedom. I don't want to push myself into a big couture house. I want to keep it small and under control—the flower in my buttonhole."

The designer chose the high fashion week in Paris to stage a gala evening at the Musée d'Orsay. Danielle Mitterrand, the Italian ambassador's wife Serena Attolico, François Sagan and Versace's friend and collaborator Maurice Béjart, suggested a wider culture than the fashion's familiar glitterati.

Scattered among the intellectual and political guests, parading against the white stone stairs and marble statues of the museum, were some of the extraordinary and dramatic creations of Versace's Atelier: models wearing brilliant yellow, violet or scarlet dresses, the pleats teased into seductive body shapes. An embroidered jacket with an intricate but graphic pattern of beads, recalled abstract paintings on the museum's walls.

The sense of drama in the clothes is underlined by the cast of customers who have ordered from Atelier, a studio set up in Versace's Milanese palazzo. Twelve outfits have been made for Jane Fonda, three for Faye Dunaway, two for Cher and 15 for Elton John—a flamboyant figure who appreciates the striking originality of Versace's work. They cost from 3 million lire to 20 million lire (\$2,200 to \$14,700) an outfit.

Versace, now 42, is internationally renowned for his men's clothes, which bring all the bravura of Sicily and combine it with the more sober technical skills of Italian industry. Leather jackets have the buttry



softness of well-cooked pasta, with fantastic decoration and finishes to the skin. Even the plainest black jacket, Versace's knitwear and signature round-hipped pants have a strong sexual charge which sets his clothes apart from sleek, Italian tailoring.

His women's clothes are also on the racy side and until a recent softening up, had a hard, metallic edge, exemplified by metal mesh dresses, in which an ultra-fine chain mail slithered from ooc shoulder across the skin.

"It's another of my fashion memories," says Versace. "I remember looking at my mother fitting a black velvet dress, off one shoulder, draping it over the body. The kind of memory, the way people dress, the dignity and humanity of Calabria, all that black, comes from deep inside me."

Versace, like so many Italian designers, has developed a fashion

empire, since he first set up his own label with his brother Santo and sister Donatella 11 years ago—after a decade of designing for other manufacturers. Two women's

Yet Versace suggests that his greatest pleasure comes not from that all-Italian marriage of high fashion and high technology, but from his carefully crafted work for the dance theater.

He started to design for La Scala with costumes for Richard Strauss's "Josephlegende" in 1982, and also produced dramatic costumes for Strauss's "Salome" five years later.

His most significant collaboration was on Béjart's ballet "Dionysos" in 1984. That started a partnership which has taken them to Leningrad and then on to create Eva Peron on stage.

The costumes that Versace created for "Souvenir de Leningrad" encompass the feverish Baroque of the doomed czarist court, a potage of prints from Russian folk costume, and leotards inspired by Constructivist art. They symbolized the coming Russian Revolution.

In the bold forms, strong color, ebullient prints and sexual energy of his fashion designs, Versace also expresses a multi-layered cultural heritage.

"But I've cooled down a lot in

my work," he says. "I am calmer and more respectful of women."

And who is the Versace woman? "She's strong, positive in life, love and work," says Versace. "She's a lot like Don Giovanni—a strong woman in love with men."

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## Capes Swirl Back Into Spain Scene

By Edward Cody

**M**ADRID — With a long black cape, a Spanish man can make a dashing entrance with the sweep of elegance, the sweep of history and, increasingly, the sweep of fashion.

As he steps into a café and flips the folds over his arm to expose an inside panel of rich burgundy velvet, the capista, or cape wearer, harks back hundreds of years to the shepherds who wore capes to protect themselves from the rain and cold on the Spanish plains.

He follows a tradition carried on by the finest urban families through the 19th century, and on into modern times by lawyers, professors and brighteners who had no fear of dramatic dress.

These days, according to Spaniards who revere the capes, the tradition is being revived by students and other youths.

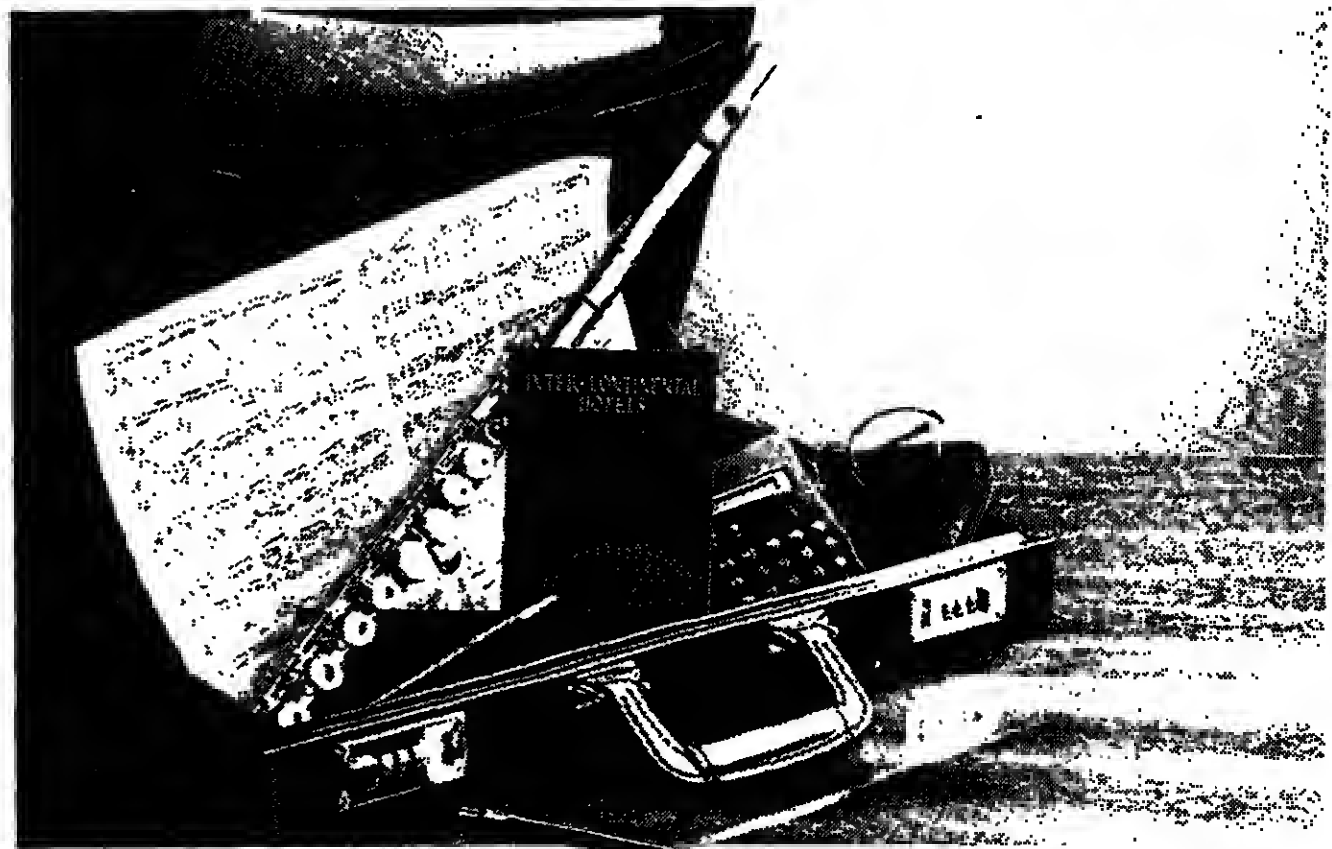
Alfonso Sánchez Portelo, who heads an association called the Friends of the Cape, thinks he knows why. The Spanish cape, which falls to the knee in graceful folds of virgin wool, provides various degrees of warmth according to whether it is worn closed or open, as well as an elegant swish to any owner who knows the proper moves, he says.

But there is more: "A cape takes over someone," says Sánchez. "It becomes a question of sentiment. Because a cape embraces you, with almost a feminine embrace."

Sánchez, 86, should know. He has been wearing a cape around Madrid since age 14, when he sneaked out of the house with his father's. Eventually, he received that cape as a gift and a rite of passage. It is now one of three he wears regularly. "It was the best gift I ever received," he tells a visitor to his photography studio and headquarters of the 3,000-member Friends of the Cape.

Tradition demands that capes be worn from Nov. 11, when court sessions used to begin, until the beginning of April. But capes, particularly the long black traditional model for men, are being increasingly worn as a topcoat over formal wear. King Juan Carlos, among others, is known to show up for regal appearances wearing a classic cape.

"The cape is masculine wear," sneers Sánchez at the idea of designer capes and fanciful innovation. "For women, the cape can be subjected to fashion. For men, no. For men, the cape is from yesterday, and from today, and from tomorrow."



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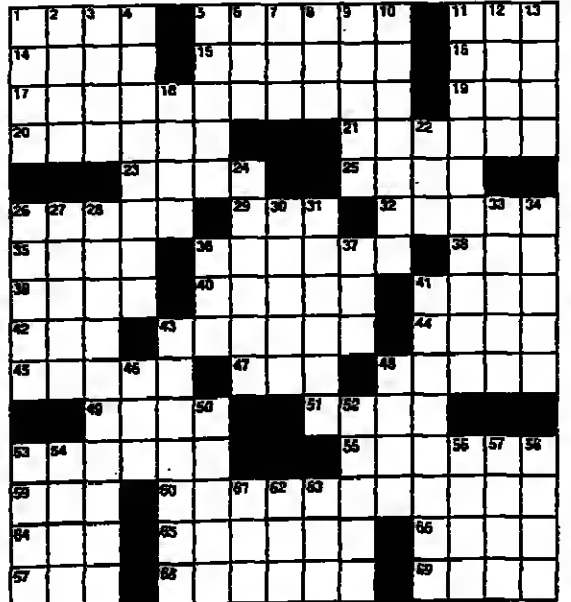
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- ACROSS**
- Former talk-show host
  - Town SE of Perugia
  - T-man, e.g.
  - Goya's Duchess of
  - Tats
  - Like a sleet after sleet
  - Obedient the rules
  - Hockey org.
  - Clothing
  - Liquid container
  - Price
  - Father
  - Sister of Goneril and Cordelia
  - Easter entrée
  - Simps
  - Jimmy Carter's middle name
  - Ta-ta's cousin
  - In shape
  - Colors



- DOWN**
- cake (children's game)
  - Thanks
  - Foster a leion
  - Group left of liberals
  - Fireplace residue
  - Call in poker
  - Pi Spada
  - little teapot
  - Oppressed persons
  - Idea
  - Canapés, e.g.
  - Reverberate
  - Actress Cannon
  - Cyclo follower
  - Exist
  - More, for one
  - G.I.'s therapy
  - Cologne
  - Good gardener's appendage?
  - March Hare's quest
  - Louvre treasures
  - Actress Keaton
  - Antique violin
  - Tree juice
  - One of Wrenken's shipmates
  - Motel's locale
  - Less obtuse
  - Magnum
  - and tear
  - Positive thinker
  - Kind of crust
  - Actor Guinness
  - Go it alone
  - Good news at Stowe
  - Eye a pen
  - Sights at J F K
  - Mauna
  - Amongst
  - Buffalo-to-Clear dr

**Solution to Previous Puzzle**

DAVID	CAFE	MERY
ARENA	AGAR	ELBE
OTTER	REDRESS	ES
ADDRESS	BERIEST	
TRIOS	ORA	
OPAL	ENID	ALGER
PRAYER	GOWN	ERE
RUR	CRINGED	MAC
AUD	HARE	ASSIST
WENCE	ERAS	PEES
IDE	SCENA	
SHADOWS	CLOTNEO	
LORENETTE	SUEDE	
AGNE	ROAD	ELLEN
PHIL	SANE	SALLY



Amgen	0753	10 1/8	7 1/2	10 1/8	4 1/2
Croby	0005	0	1 1/2	0 1/2	1 1/2
Eneady	2043	10	14 1/2	4 1/2	1 1/2
PAI	2043	10	9 1/2	4 1/2	1 1/2
Waters	2043	9	8 1/2	4 1/2	1 1/2
Waters	2043	9	14 1/2	10 1/2	1 1/2
TRAIL	2043	10 1/2	17 1/2	10 1/2	4 1/2
Cowley	2043	9 1/2	10 1/2	10 1/2	4 1/2
Novartis	1722	17 1/2	17 1/2	17 1/2	4 1/2
Livert	1722	17 1/2	17 1/2	17 1/2	4 1/2
Amgen	1664	8 1/2	8 1/2	8 1/2	4 1/2
Amgen	1664	8 1/2	21 1/2	22 1/2	4 1/2
Amgen	1664	8 1/2	9 1/2	10 1/2	4 1/2
Peters	144	14 1/2	24 1/2	24 1/2	4 1/2
Novartis	1270	7	8 1/2	9 1/2	4 1/2

AMEX Stock Index				
High	Low	Close	Change	
327.00	321.25	321.00	+0.31	

## United Press International

"There's a wait-and-see attitude. People are still enthusiastic, but they're more cautious and optimistic," he said.

AT&T was third, dropping 1 to 30%.

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INTERNATIONAL STOCK MARKETS

Spanish Are Gearing Up  
For Big Bang of Their Own

By ANDREW HURST

MADRID — Spain's stock exchanges will soon be transformed from a creaking system dating from the Napoleonic era into a modern electronic market, says Luis Carlos Croissier, chairman of the newly created National Securities Commission, which will be more profound than the so-called Big Bang, which revolutionized London's financial markets in 1986.

"Our Big Bang, if we compare it with its point of departure, will be a much bigger transformation than what the United Kingdom experienced," he said.

"With the liberalization of international capital markets a bourse can only survive if it is competitive," he added. "Bad settlement and low liquidity will make trading migrate to more competitive exchanges."

The national telephone company Telefonos de España, with listings in London, New York and Tokyo, is sometimes more heavily traded abroad than at home.

Under the reform, Spain's four open-outcry markets in Madrid, Barcelona, Bilbao and Valencia will be replaced this year by a continuously traded electronic market based on the Computer Automated Trading System developed by the Toronto Stock Exchange.

Spain's stockbrokers — *agentes de bolsa* — have enjoyed exclusive rights as intermediaries in all share transactions, but will lose this monopoly at the end of July, Mr. Croissier said.

They will have to choose between grouping together to form brokerage companies, which cannot deal on their own accounts, or dealing companies, which can. Another option will be to retire from the world of stock trading to become notaries.

Continuous trading through the CATS system would already be in operation for a number of stocks by the time the stockbrokers lose their monopoly.

"We are seeking the most transparent market possible, where the system of price fixing is clear and transparent and where forms of conduct are regulated where conflicts of interest arise," Mr. Croissier said.

The change will be more far-reaching than London's, the new securities commissioner says.

INSIDER TRADING, through which investors take advantage of privileged information that can influence the price of a company's stock, is not illegal in Spain. Many local stockbrokers say it is widespread on domestic markets. The weakness of Spain's antiquated bourse structure was laid bare during the global stock collapse of 1987, when many investors saw prices plunge but could not get out of the market because of a chronic lack of liquidity.

Mr. Croissier said the new Spanish market would be different in two key respects from London's.

"The London market is based on market makers while our market will be based on an auction system," he said.

Dealers would be allowed to take positions in the market, which Spanish brokers are currently forbidden to do, but they would not determine prices by constantly making markets in stocks as in Britain, Mr. Croissier said.

The other key difference would be that the Spanish markets would be regulated by the state-appointed Securities Commission. There will be no self-regulation as in Britain.

Mr. Croissier said he hoped a new clearing and settlement house could be set up by July, to be owned by commercial and savings banks and by the dealing and brokerage companies.

All trades in the new market eventually will be by book entry with the aim of eliminating share certificates altogether, Mr. Croissier said. Book entry permits immediate settlement of stock transactions. Today, settlements can take up to five weeks.

Currency Rates

Cross Rates	Jan. 30	Jan. 29
Amsterdam	2.195	2.195
Brussels	36.13	36.13
Frankfurt	1.807	1.807
London (d)	1.945	1.945
Nilms	1.345	1.345
New York (c)	1.315	1.315
Paris	6.555	6.555
Tokyo	127.35	127.35
Zurich	1.187	1.187
ECU	1.368	1.368
1988	1.368	1.368

Changings in London, Tokyo and Zurich, listings in other centers. New York closing rates.  
a: Commercial bank; b: To buy one pound; c: To buy one dollar; d: Units of 100; NGL: not noted; N.A.: not available.

Other Dollar Values	Jan. 30	Jan. 29
Canada	1.315	1.315
France	6.555	6.555
Germany	1.807	1.807
Italy	1.945	1.945
Japan	127.35	127.35
Netherlands	2.195	2.195
Sweden	36.13	36.13
Switzerland	1.187	1.187
United Kingdom	1.945	1.945
United States	1.315	1.315

Forward Rates	30-day	60-day	90-day	180-day
Canada	1.315	1.315	1.315	1.315
France	6.555	6.555	6.555	6.555
Germany	1.807	1.807	1.807	1.807
Italy	1.945	1.945	1.945	1.945
Japan	127.35	127.35	127.35	127.35
Netherlands	2.195	2.195	2.195	2.195
Sweden	36.13	36.13	36.13	36.13
Switzerland	1.187	1.187	1.187	1.187
United Kingdom	1.945	1.945	1.945	1.945
United States	1.315	1.315	1.315	1.315

Sources: Deutsche Bank (Frankfurt); Banca Commerciale Italiana (Milan); Banque Paribas (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAI (dollar, yen, deutsch); Reuters (London). Other data from Reuters and A.P.

Interest Rates

European Deposits	Jan. 30	Jan. 29
1 month	8.00%	8.00%
3 months	8.00%	8.00%
6 months	8.00%	8.00%
1 year	8.00%	8.00%

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Key Money Rates Jan. 30	Jan. 29
3-month rate	8.00%
6-month rate	8.00%
1-year rate	8.00%

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits	Jan. 30	Jan. 29
1 month	8.00%	8.00%
3 months	8.00%	8.00%
6 months	8.00%	8.00%
1 year	8.00%	8.00%

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

U.S. Money Market Funds	Jan. 30	Jan. 29
1 month	8.00%	8.00%
3 months	8.00%	8.00%
6 months	8.00%	8.00%
1 year	8.00%	8.00%

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Experts Say U.S. Chip Makers Could Be Due for New Slump

By Lawrence M. Fisher  
New York Times Service

SAN FRANCISCO — After a boom that lasted less than two years, the U.S. semiconductor industry appears to be headed back into a slump.

The last downturn was a painful one, marked by \$2 billion of losses for the industry. Reagan administration sanctions against Japanese semiconductor makers and a new trade agreement with Japan.

In the aftermath of this turmoil, government officials and industry executives had hoped a revitalized industry would point the way toward increased U.S. competitiveness abroad.

But sales have been faltering and the robust growth of 35 percent last year is expected to dip to 10 percent this year.

The industry's cycles are not unexpected, coming about every four years. But this downturn is particularly worrisome to the experts because they believe it is symptomatic of the United States' broader loss of technological competitiveness.

The tiny silicon chips that the industry makes are the brains of a wide variety of products — from computers and cars to microwave ovens and missile guidance systems.

Foreign producers experience these cycles, too, but they are less pronounced

and less likely to retard their technological innovation.

Japanese and European chip sales are spread more evenly across a broader array of fields — consumer electronics, automobiles and telecommunications. In the United States, the fortunes of the chip makers are closely tied to the personal computer industry.

The slump has complex roots, but a primary cause is a slowing of growth and a consolidation in the personal computer industry.

Analysts say the current downturn will not be as traumatic as the industry's bust of 1984 and 1985, but there is some disagreement about how severe it will be.

Four years ago U.S. chip makers collectively lost \$2 billion and laid off 25,000 employees. But this time, most chip customers do not have huge inventories to work off and computer sales remain strong.

Nor will the cycle be equally severe across the industry, as many companies have been restructured and repositioned to weather hard times, analysts said.

And some experts say the semiconductor industry as a whole is healthier than it appears. They say that the declining world market share is a distortion produced by changes in currency exchange rates and that a few poorly managed

companies make the whole group look bad.

"Those companies have problems, but they don't reflect a fundamental weakness in American semiconductor," said George Gilder, author of "Microcosm," a book examining the impact of the semiconductor industry on world economies.

"The whole industry is angling for government support so it has to look crippled," he said. "Growth is slowing, but it's not clear to me that anything dramatic is happening. I don't see this as another 1985."

Whether the downturn is modest or severe, the industry is talking only about See SLUMP, Page 11

Incomes  
In U.S.  
Up Again  
Gains for Year  
Best Since '84

The Associated Press

WASHINGTON — Personal income in the United States rose by 0.9 percent in December after a slight decline in November, the government reported Monday.

The Commerce Department said income increased last month by \$37.1 billion, to a seasonally adjusted annual rate of \$4.2 trillion, after a decline of 0.2 percent in November and a 1.5 percent rise in October. The drop in November had been the first since January 1988, when incomes fell 0.4 percent.



Ballard, rinksider in 1986 at the controversial Maple Leaf Gardens in downtown Toronto.

Toronto's 'Old Coot' Chortles On  
Harold Ballard, 85, Still Riles Financiers and Family

By John F. Burns  
New York Times Service

TORONTO — When Harold E. Ballard had a heart attack a year ago, shares in Maple Leaf Gardens Ltd., the company that owns the Toronto Maple Leafs and the arena where the National Hockey League team plays, jumped 3.50 Canadian dollars (\$2.95) on the Toronto Stock Exchange.

Six months later, when Mr. Ballard had a quintuple heart-bypass operation, the stock rose again, by 2 dollars and 75 cents a share.

But each time, the stock slumped on the news that Mr. Ballard had recovered. Through his holdings and those of a family company, Harold E. Ballard Ltd., he controls 80 percent of the shares outstanding of Maple Leaf Gardens Ltd.

Financial analysts have said that new owners could bring as much as 200 million dollars in unrealized value from the company, mainly by selling or redeveloping the landmark property in downtown Toronto now occupied by the 57-year-old hockey arena. But Mr. Ballard, 85, whose name has become a synonym for ornateness in many circles here, has made it plain he has no intention of accommodating the Bay Street financial district.

After the surgery in July, in what looked to be a gesture of contempt to speculators, he checked himself out of the hospital within two days, against doctors' orders, to have a steak lunch in a favored haunt around the corner from the arena.

At the same time, Mr. Ballard said the bank would continue experimenting with various financial instruments — a policy that last year saw the first Soviet issue of foreign bonds since the 1917 Russian Revolution.

"The market is growing every day and there are new instruments coming up," he said.

The Soviet Union last year raised \$350 million in the international credit markets, offering bonds denominated in Swiss francs and Deutsche marks. The country also launched a Eurocommunist paper and certificate of deposit program.

Also in October, banks in 10 Western countries agreed to open credit lines to the Soviet Union totaling \$9 billion. Most of the funds remain undrawn, however.

The Soviet Union's indebtedness to the West has increased sharply in recent years, both in absolute terms and because of the effects of exchange rates.

The \$9 billion in new credits arranged in October, for example, compares with total new lending to the Soviet Union of only \$3 billion in the three years ended December 1987.

According to Western figures, Soviet foreign debt rose by 68.8 percent from 1984 to 1987, with the total amount owed to foreign creditors increasing to \$38 billion by 1987.

The rise has been largely due to the sharp fall in the price of oil, which severely dented Soviet export earnings. According to Mr. Gostev, roughly 80 percent of Soviet foreign currency earnings come from energy.

The increase in borrowing has raised debt outstanding to about \$7

Polaroid Plans  
\$1.1 Billion  
Stock Buyback

Compiled by Our Staff From Outsources

CAMBRIDGE, Massachusetts — Polaroid Corp., which is fighting a hostile takeover attempt, said Monday its board had adopted a recapitalization plan that would include the repurchase of about \$1.1 billion of its stock.

The maker of instant cameras also indicated that it might pass on to stockholders the proceeds of an expected settlement or damages from its patent-infringement suit against Eastman Kodak Co. The company said its managers would explore ways of using the money, estimated by analysts at \$1 billion to \$2 billion, to enhance short-term stock value.

Mr. Yanes also said the convertible stock, which was issued to Corporate Partners L.P., a firm managed by Lester Folack and Ali Wambold, would be convertible to common at \$50 a share. Mr. Folack was named to Polaroid's board, and Corporate Partners is to nominate a second director.

Eugene Glazer, an analyst with Dean Witter Reynolds Inc. in New York, said the stock issuance would concentrate a sizable percentage of the voting rights with entities friendly to Polaroid. "And that will make it significantly more difficult for Shamrock to obtain the 51 percent they would require in a proxy fight," (A.P., Reuters, UP)

Polard also said it had sold \$300 million of convertible stock to an investor group and the proceeds would be used to partly finance the stock buyback.

Last week, Polaroid rejected a sweetened offer of \$45 per share for all of its stock, including 9.7 million shares issued under an employee stock ownership plan, from Shamrock Holdings Inc.

Shamrock, which is controlled by Roy E. Disney and members of his family, valued its new offer, made Jan. 19, at \$3.20 billion. It said it would raise the bid to \$47 a share, or about \$3.36 billion, if the employee shares were invalidated.

The company has been pursuing Polaroid since July, when it offered \$40 a share plus a portion of proceeds from the Kodak litigation.

Polaroid's stock rose 6.5 cents to close at \$40.625 on the New York Stock Exchange on Monday.

A spokesman for Shamrock would not comment immediately on the recapitalization program's substance, but he said the objective was clear.

"We have to take a look at the announcement, but I think it's absolutely obvious that it's an effort to block Shamrock," said John Grimaldi, the spokesman.

A Polaroid spokesman, however, denied that the moves were a defense against Shamrock.

"It's designed simply to deliver a portion of the company's current value while enhancing the growth prospects for its values," said the Polaroid spokesman, Sam Yanes.

KKR to Divest  
RJR, Beatrice  
Food Divisions

Reuters

NEW YORK — Kohlberg, Kravis, Roberts & Co. said Monday that it would divest a number of food businesses from its forthcoming acquisition, RJR Nabisco Inc., or its Beatrice Co. unit to comply with antitrust concerns.

RJR Holdings Corp., the entity buying RJR Nabisco for \$25 billion, said a tentative agreement with the Federal Trade Commission provided either Beatrice or Nabisco would divest their ketchup, oriental entrees, noodles and vegetables, soy sauce, and nut products within 12 months of the agency approving the pact.

In Atlanta, RJR Nabisco said fourth-quarter and full-year earnings were up from 1987 results, but would have been higher if not for merger-related expenses.

Fourth-quarter income rose 11.1 percent, to \$411 million, on sales of \$4.72 billion, up 6.8 percent. For the year, net rose 16.9 percent, to \$1.38 billion, on sales of \$16.96 billion, an 7.5 percent increase.

Soviet Bank to Keep Firm Rein on Foreign Debt

Reuters

MOSCOW — The Soviet Union will maintain a cautious approach to foreign borrowing despite the need to re-equip industry and calls from some economists to boost imports of consumer goods, according to a leading Soviet banker.

"There is no problem for us getting money at the moment, the problem is to choose the right equipment to buy with it and to get the best conditions," said Eduard Gostev, deputy chairman of the Soviet Vnesheconombank, or Bank for Foreign Economic Affairs.

"We had this experience before when we borrowed a lot of money and did not use it properly," Mr. Gostev said in an interview Friday.

"Some of that equipment is still lying in the snow and has not been installed."

Mr. Gostev said recent data showed that approximately 2.66 billion roubles (\$4.4 billion) of goods bought with foreign currency had been wasted in recent years.

He said the Soviet bank, which has significantly expanded the Soviet Union's presence in the international capital markets in the past few years, would seek to keep a tight rein on borrowing in the future.

"It may sound bureaucratic but

as the institution responsible for borrowing, we will try to squeeze all those who go beyond their real needs," he said.

At the same time, Mr. Gostev said the bank would continue experimenting with various financial instruments — a policy that last year saw the first Soviet issue of foreign bonds since the 1917 Russian Revolution.

"The market is growing every day and there are new instruments coming up," he said.

The Soviet Union last year raised \$350 million in the international credit markets, offering bonds denominated in Swiss francs and Deutsche marks. The country also launched a Eurocommunist paper and certificate of deposit program.

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The increase in borrowing has raised debt outstanding to about \$7

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INTERNATIONAL TENDERS INVITATION  
(TELECOM II PROJET — T.F.K.)

The National Telecommunications Company of Senegal invites international tenders to provide and set up telecommunications equipment in Thiès, Fatick and Kaolack areas.

This project constitutes the second and last part of telecommunications project #2 (TELECOM II).

Whatever the country may be, equipment proposed by tenders must take into account defined or accepted rules by the International Telecommunications Union (ITU).

Ten (10) line networks (equipment and works) totalling 17,500 distributed pairs (portion 2) and the refitting of existing transmission network will be carried out.

Tenders will be completed with a deposit of 15 Millions CFA.

A Company (with all its branches) can present only one single proposal.

The tenders files could be taken out of SONATEL, 6, Rue Wagne DIOUF, 3rd floor, Secretary of Direction of Administration and Finances from January 16th 1989 against a non reimbursable amount of 100,000 CFA by certified and signed cheque for SONATEL.

Tenders will be set down the reception commission of SONATEL which will sit with tenders' representatives who will choose to attend the opening on March 31st 1989 between 9 and 9.30 at SONATEL (4th floor, Conference room), 6, Rue Wagne DIOUF, Dakar.

Any delay carrying forward because of a late taking out of files will be granted.

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Eight (8) telephone exchanges and an analogous concentration for subscribers totalling 15,100 subscribers equipment in final capacity, and two (2) transit stations totalling 2,480 circuits in final capacity will be provided, equipped and put into service.

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(Continued from Page 1)  
"A new guy has to work him in."

The FBI set the stage by fabricating other lives for their agents that included apartments, offices and club memberships, as well as bogus academic and professional records. To ensure that agents pass muster if anyone investigates their backgrounds, the bureau arranges for colleges and businesses nationwide to enter fictitious information in their computer files, in a process called "backstopping a legend."

For the undercover FBI agents — the agent who called himself Richard Lee Carlson, another agent who worked at the Board of Trade who called himself Michael McLoughlin, and two agents who assumed the names Peter Vogel and Randy Jackson and worked at the Mercantile Exchange — infiltrating the traders' world was partly a matter of looking and acting the part.

All the agents, for instance, wore what has become almost a uniform for traders: jeans or corduroy pants, oxford button-down shirts, and ties loosened at the collar.

Except for Mr. Carlson, who looked to be about 45, the agents appeared to be in their late 30s.

"You couldn't tell them apart from anyone else," said a trading-floor clerk for a major grain company who had seen more than one of the agents.

Co-workers of Mr. Carlson's at Archer-Daniels-Midland were a bit surprised when the telephone clerk suddenly bought his own seat on the exchange for about \$400,000 in December 1987. He told some of them he was using money provided by New York investors.

Within months, he was living the fast-paced, easy-money life of the young professionals who trade at Chicago's big commodity exchanges. He leased an apartment in

The agents also showed themselves to be the high-rolling types that so many traders aspire to be. They suffered losses on trades that, whether intentional or not, helped

It was a sense of trust  
had to gain from trade  
spotting a phony were  
they come.

make them look no different from others who occasionally had bad days.

Mr. McLoughlin lost tens of thousands of dollars in his stint as a trader, a person inside LIT America, the firm that cleared his trades, said. Mr. Vogel lost hundreds of thousands of dollars in his nearly two years on the Merc floor, traders said.

In fact, after learning of the sting operation, some traders were stunned that Mr. Jackson had been allowed to use tax dollars to make his trades. His trading, one said,

But not all the agents were viewed so harshly. One person who knew Mr. Carlson said, "He certainly seemed to know what he was doing."

People involved in the case said the agents were given basic instruction on the workings of the futures pits by officials from the Commodity Futures Trading Commission, the federal agency that regulates the futures industry. It is believed

that at least two of the men, Mr. Carlson and Mr. McLaughlin, received additional training from Archer-Daniels-Midland.

At the Mercantile Exchange, beginning on May 6, 1987, Mr. Vogel and Mr. Jackson appeared to be like any traders striking out on their own. They were, in effect, free agents who began as full-fledged traders with their own seats.

The government net only paid more than \$600,000 for these two memberships, it also leased a suite

that the FBI agents  
ers, whose instincts for  
about as keen as

of offices for them on the 12th floor of the exchange, opening a company called Dolphin Trading Interna-

Although Mr. Vogel and Mr. Jackson listed Dolphin as their business address, "it didn't seem like anyone was ever there," said a runner who worked on the same floor.

agents were able to move easily in the world of the traders. All of the information the agents gave about themselves would have been confirmed because the FBI made sure

"Backstopping is simply a matter of having some contacts at these places," a former FBI official said. "And there are many people out

Sometimes, backstopping was made simple. When LIT, the company that cleared Mr. Vogel's trades, became suspicious after he said he had obtained a large sum of

money from a wealthy relative, the company asked the FBI to run an inquiry on him.

Not surprisingly, everything checked out.

Similarly, all four agents were investigated by a private detective agency retained by the exchanges to examine the backgrounds of applicants for membership. All four sailed through.

Once into the sting operation, the agents tape-recorded traders in restaurants, at parties, in health clubs and on the noisy floors of the

Mr. Carlson, with the other three agents, carried a small recording device to gather evidence for the case. Some of the agents had devices about the size of cigarette cases strapped to the smalls of their backs.

Others hid recorders that resembled wallets in their breast pockets. What appeared to be rings and pens were, in fact, wireless micro-

After trading hours, the agents "went out of their way to fit in," said a trading floor clerk for a major grain company. Indeed, like their colleagues at the pits, the agents often completed their days with a health-club workout.

They played hosts at parties at their apartments and dinners out for other traders, slowly winning their confidences.

One of them put up \$10 to join a football betting pool on the Super Bowl football match. When the San Francisco 49ers lost, he lost his money.

*Kurt Eichenwald and Julia Flynn Siler also contributed to this story.*

(Continued from first finance page)  
through the Saturday night games  
broadcast nationwide on radio.

Under Mr. Ballard's ownership, the team has never finished higher than third in its division.

One forceful critic has been Morton Shulman, a Toronto physician, entrepreneur and writer of investment books who made several million dollars for a privately owned mutual fund by buying 200,000 shares in Maple Leaf Gardens in

Mr. Shulman, who contends that his name is on a list of prominent Toronto residents to whom the Maple Leafs will not sell season tickets, said: "Harold Ballard was a man of great genius and talent in business in former times, but he has got old."

"But, then, he'd just say I'm a pipsqueak."

Mr. Ballard's latest skirmish with local politicians concerns a proposal to declare the arena a historic building. That proposal, which Mr. Ballard strongly opposes, could complicate any future plans to redevelop the property.

Earlier this month, the proposal knocked Gardens stock down by 3.75 dollars in two days of trading on the Toronto exchange, reducing the value of Mr. Ballard's holdings by 11 million dollars.

He also has feuded for nearly 20 years with other team owners over his refusal to allow Soviet teams to play in Maple Leaf Gardens. When the 21-club NHL negotiated a month-long, round-robin series of games with four top Soviet teams starting in December, Mr. Ballard said he would never allow the Soviets and the "rags" they wear into his arena.

Family problems, too, have drawn attention. This series of highly publicized battles has centered on his 56-year-old companion, Yolanda Ballard, a former telephone operator and country club owner who changed her name from

Mr. Ballard's three middle-aged children by his first wife, Dorothy, who died in 1969, evidently tried to convince him that Mr. Ballard was

They also persuaded him, news reports said, to post notices in three newspapers saying he would no longer be responsible for the debts of Ms. Ballard. But a few days after the notices appeared Ms. Ballard

Ms. Ballard first arrived in the Gardens' executive offices five years ago with a cake she had baked for Mr. Ballard. She refused

At the time, she had not long been out of prison, having served part of a three-year term for conspiracy and perjury in connection with a forged will. Mr. Ballard, too, has been in prison, serving one year

Bill Ballard, 42, faces trial in Toronto on charges that he allegedly assaulted Ms. Ballard during a disturbance in September in his father's apartment. Ms. Ballard has sued Bill Ballard, a promoter of rock concerts, for 1 million dollars in connection with the incident.

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Finland** F.M.	(09) 60 30 30**	1,760	1,334	970	540
France F.F.	05 436 436	1,300	1,200	830	455
Germany** D.M.	0130 25 31	580	403	320	176
Gr. Britain £	—	135	102	74	41
Greece** Dr.	691 02 42***	23,300	31,100	13,250	7,300
Ireland £Ir.	—	155	118	85	47
Italy Lfr.	—	360,000	295,200	200,000	110,000
Luxembourg Lfr.	49 49 60	11,000	7,200	6,000	3,300
Netherlands** Fl.	06-022 08 15	600	492	340	185
Norway** N.Kr.	(02) 41 34 85**	2,000	1,276	1,100	600
Portugal** Esc.	(01) 80 71 22*	26,000	32,240	14,300	7,900
Spain** Ptas.	(91) 401 29 00*	31,000	23,600	17,000	9,600
Sweden** S.Kr.	(08) 21 01 90*	2,000	1,276	1,100	600
Switzerland S.Fr.	046 05 48**	455	455	255	141
Rest Europe, N. Afr., X-French Africa, Mid. East \$	—	470	Varies by country	260	145
Rest of Afr., Gulf St. Asia \$	—	620		340	190
Central/Latin America \$	—	540		295	160

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## SPORTS

## SIDELINES

## Cycling Body Rules Against LeMond

BRUSSELS (UPI) — Greg LeMond, who in 1986 became the first American to win the Tour de France bicycle race, cannot ride for both a European and a U.S. team this season, the International Professional Cycling Federation has ruled.

LeMond has signed with ADR in Belgium and with Coors in the United States, asserting that the rules allow him to ride for both a professional team and a national team like Coors. But the international federation ruled Sunday that LeMond must race only for the team that signed him first, Coors. It is not expected to compete in Europe.

François Lambert, an ADR official, said that, to keep LeMond, his team might merge with Coors. "If not, it will be up to LeMond to decide," he added.

## U.S. Diver Sentenced to 17 Years

TAMPA, Florida (AP) — Bruce Kimball, the former U.S. Olympic diver, was sentenced Monday to 17 years in prison for a high-speed drunken driving accident last summer in which he plowed into a group of teen-agers, killing two and injuring four.

"You must suffer the consequences of drunken driving. We must stop it. We can't seem to get a hammer on it," Hillsborough Circuit Judge Harry Lee Coe 3d told the 1984 Olympic silver medalist. Coe revoked Kimball's drivers license and said his prison term would be followed by 15 years' probation to include community work aimed at teaching young people the dangers of alcohol.

A model prisoner could expect to serve one third of his sentence, which means Kimball could be free in five or six years, according to his attorney, Fran Quesada. Kimball was legally drunk last Aug. 1 when his speeding sports car slammed into a crowd of some 30 teen-agers.

## Australians Ban a Canadian Golfer

MELBOURNE (AP) — Canadian golfer Kelly Murray was banned from the Australian professional golf tour, Graham Nightingale, the Australian PGA tour operations director, said.

Murray was disqualified from the Victorian PGA Championship last Friday for what officials described as a blatant breach of the rules of golf. He admitted taking an unsupervised drop without telling his playing partners and then failing to include a penalty stroke in his score, Nightingale said.

Murray was not available for comment and was believed to have departed Australia for Hawaii, local officials said.

## For the Record

Nigel Benn's Commonwealth middleweight title defense will go ahead on Feb. 8, thanks to a medical device used to treat injuries to racetracks. The fight against Zambia's Mike Chilambe at the Royal Albert Hall was jeopardized by an injury Benn received to his right hand when a member of the public tried to arrest him. Benn has been having treatment twice a day with the "black box" to disperse fluid on the knuckles. (UPI)

The world mile record-holder, Steve Cram, has been given a £250,000 (\$402,000) lift after his double Olympic flop at Seoul. The British middle-distance runner has signed a four-year shoe contract with Adidas, the shoe manufacturer. (APF)

Brad Daugherty, center for the NBA Cleveland Cavaliers, says he will appeal the \$10,900 fine levied against him for fighting with Detroit's Bill Laimbeer during a game Friday night. Daugherty, who was suspended for Sunday's game against Washington as a result of the fight, said he should not have swung at Laimbeer but that Laimbeer deserved a more severe penalty than him. (UPI)

## Quotable

Former President Gerald R. Ford, known for his frequent stumbles, on welcoming competitors to the World Ski Championships at Vail, Colorado, where he has a home: "Welcome to 'the great state of California... I mean Colorado.'" (AP)

## In Brazil, Basketball Has Edges

RIO DE JANEIRO — It took Chris Weinans 27 years to find out how brutal basketball can be. Twelve games in Rio de Janeiro was all he needed.

The lanky American from Salt Lake City said he has been poked, kicked, elbowed, upped, and downed, and outright tackled more times in more parts of his 6-foot-7 (2.01-meter) frame than in 15 seasons of high school, college and European ball.

"Sometimes you feel like an old boxer after a game," said the 27-year-old University of Iowa graduate. "Back home these guys would be charged with assault, let alone foul."

Weinans has painfully discovered what roughly two dozen other Americans who make a living playing Brazilian semipro ball grumble about through their teeth: Basketball in Brazil is as rough as ice hockey.

Even so, most Americans stay a season or two in Brazil. Some, passed over in the National Basketball Association draft, dream of gaining experience in this 2,000-player league before making it in the U.S. big time. Then there are those who simply come to play ball and sample samba, Carnival and the beaches.

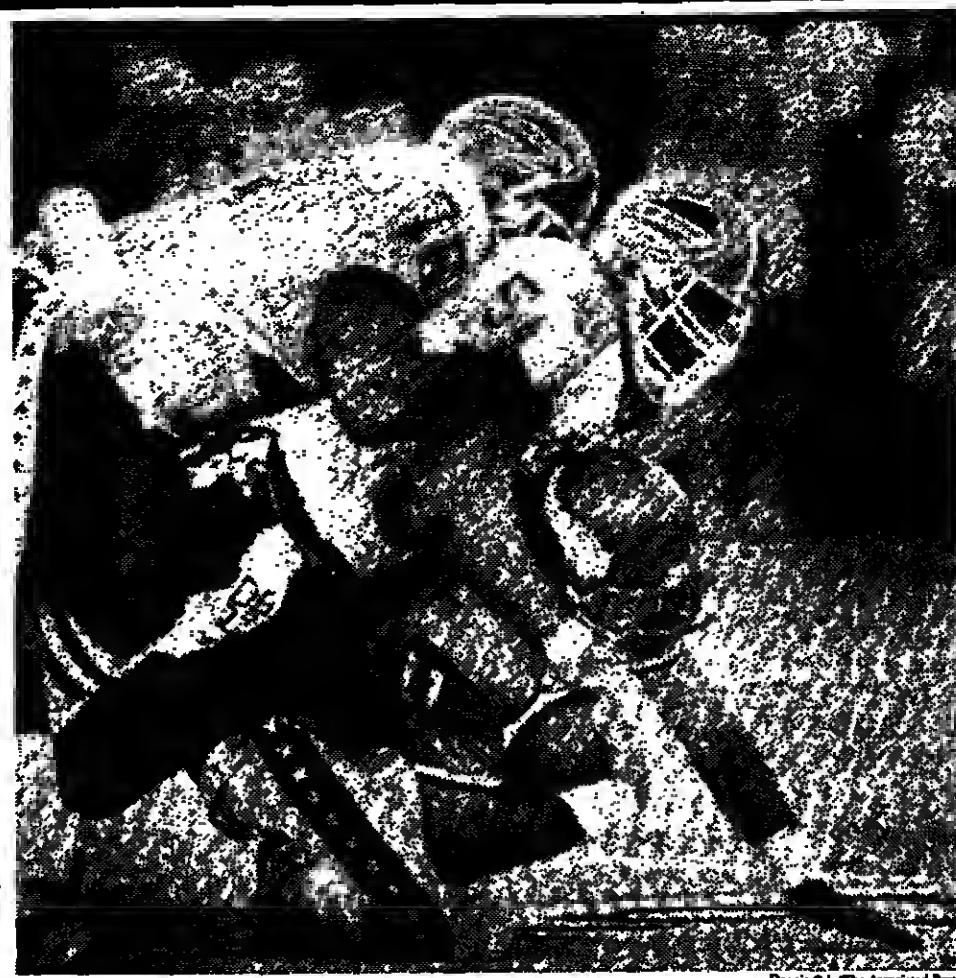
Others who were top prospects in college but feel they'll never quite make the NBA — like Rocky Smith, a 6-foot-2 guard from Orville, California — stay on. Smith, who played one year in Rio before moving to São Paulo, for a four-year stint, has become somewhat numb to the hazing.

"It gets ugly," the Oregon State graduate said. "You gotta play rough. Even if it means taking three or four fouls to get back at the cat that bit you."

"Look, that's the game here," Fabio Egypto, president for Fluminense, Rio's top team in 1988, said as he watched his team play rival Flamengo recently. "A lot of physical contact is allowed on the court by the referees."

Several coaches, usually those with American players, are frustrated by the hit-and-run tactics.

"It's pure resentment," said Tade Sobrinho, head coach of Fluminense. "The refs and the goons on the other teams are trying to



## NFC Beats AFC, 34-3, in the Pro Bowl

The National Football Conference had the upper hand for most of the Pro Bowl game Sunday in Honolulu with Herschel Walker of the Dallas Cowboys running for two touchdowns, and Randall Cunningham of the Philadelphia Eagles directing three scoring drives. In this play, however, Buffalo Bills teammates, Fred Smeries, No. 76, and Cornelius Bennett, sacked the NFL's quarterback, Wade Wilson of the Minnesota Vikings. Cunningham, who was voted the game's most valuable player, completed 10 of 14 passes for 63 yards and rushed twice for 49 yards. New Orleans Saints' kicker Morten Andersen added two field goals, including a Pro Bowl record 51-yarder.

show the 'gringos' they won't let them play the way they did in the States."

The occasional court mugging is the short of it. There are the sometimes-biased referees. There are the fans who scream obscenities in accented English.

And then there's the Brazilian talent.

Brazil proved it was no basketball pushover two years ago in Indianapolis when it knocked off the United States in the Pan-American Games.

And though Brazil has no true

pro league in the U.S. sense, some 150 teams compete each year in statewide tournaments and in a national championship.

These semipro teams are sponsored by large, privately owned sports clubs, which also run the nation's top professional soccer teams. The soccer teams, which draw crowds of up to 100,000 fans a match, carry much of the glory of the clubs' names.

Still, Brazilian basketball rivalries are hot. To fill holes in the starting lineups with fresher, taller talent, clubs with extra cash draft American players.

But not every club can afford the price tag of an American whose salary can reach \$1,500 a month, plus travel and living expenses. It's a steep bill considering an average Brazilian basketballer makes between \$60 and \$80 a month.

The difference in salaries, plus the fact that some clubs can afford an American, brings the rivalries to a boil. In those cases, the foreigner becomes the butt of the players' and fans' hostility.

"You defend your body," said Weinans. "Then you defend your hoop."

## Louisville Toppled As Ellison Is Hurt; Sooners Gain No. 1

United Press International  
NEW YORK — Within the past 10 days, the chance to be ranked as the top team in the United States has become a curse to all those who stand next in line to the throne.

The latest heir apparent to go down to defeat was Louisville, ranked No. 3 last week in the United States.

## TOP-20 BASKETBALL

ed Press International coaches' poll, Louisville lost not only an 85-79 decision to No. 17 Ohio State, but also its star center, Pervis Ellison, who injured his knee.

The loss, which snapped a 14-game winning streak, makes Louisville the fourth team ranked No. 1 or No. 2 to suffer defeat in the last 10 days. Duke was the nation's top team all season until last week, when it suddenly dropped three games in a row before defeating Clemson on Sunday.

Illinois became the new No. 1 team, but lost Thursday to Minnesota. That left No. 2 Georgetown as the heir apparent, but the Hoyas lost Saturday to Louisiana State.

[The Okla. Sooners took the No. 1 spot on Monday in The Associated Press writers' poll, and it was expected to do so in the UPI poll as well.]

Jay Burson scored 29 points for Ohio State and Louisville was not able to make up for the loss of Ellison, who went down with 44 seconds to go in the first half. Ellison, Louisville's leading scorer, slipped while diving after a loose ball, spraining a ligament in his left knee.

Louisville led 41-37 at halftime and went up 51-41 with 16:06 to go before the Buckeyes started closing. The Cardinals lost their other big man, 7-footer Felton Spencer, when he fouled out with 5:50 left. The Buckeyes used a 9-0 spurt to take a 72-67 lead with 3:23 to go.

Ohio State Coach Gary Williams said he really didn't consider the loss of Ellison during the game.

"When you play Louisville, you don't think, 'You just play Louisville,'" Williams said.

Jerry Francis scored 15 points and substitute guard Eli Brewster had 10 for the Buckeyes, 15-4. Arizona 72, Stanford 52; At Tucson, Arizona, Sean Elliott scored 31

points to help Arizona avenge its only Pac-10 loss of the season. The victory also gave the Wildcats, 15-2 and 9-1 in the Pac-10, a two-game conference lead over the third-place Cardinals (15-5 and 7-3). The triumph was Arizona's 29th in a row at home.

Duke 92, Clemson 62; At Durham, North Carolina, Quinn Snyder and Robert Brickley each scored 19 points and Duke opened the second half with a 30-4 run. Danny Ferry returned after missing one game with back spasms and added 12 points for the Blue Devils (14-3 and 4-3). Clemson (12-5 and 3-3) suited just seven players, one the team manager, because of suspensions for study-hall violations.

Michigan 99, Purdue 88; At West Lafayette, Indiana, Glen Rice scored 20 of his 34 points in the first half to lead Michigan (16-4 and 4-3). Michigan used a 21-5 run to take an early 26-15 lead and Purdue (9-11 and 2-5) never got closer than 7 points after that.

## West Virginia Rises

West Virginia, which played for the national championship in football thanks to an explosive offense, has used the same winning formula to break into the AP Top 20 basketball rankings. The Associated Press reported.

The Mountaineers, who haven't lost since Dec. 3, extended the nation's longest winning streak to 14 games Saturday night with a 98-82 blowout of Duquesne in an Atlantic 10 Conference game. (See Scoreboard)

West Virginia, 15-2, wasn't nationally ranked last week, but Duquesne coach Jim Satalin said that was more of a reflection on the pollsters than it is on the Mountaineers, who are 8-0 on the road and 9-0 in the conference.

"I hope he's right," West Virginia Coach Gale Calkins said. "But we've seldom discussed it (the rankings)."

West Virginia's streak became the longest in Division I this year when Louisville, which had won 14 in a row, lost Sunday to Ohio State and Indiana, which had won 13 straight, lost Saturday to Illinois.

## CHESS

By Robert Byrne

THE trouble with sizing up players of different generations is that they both cannot be in their prime at the same time. Nevertheless, if the player of an earlier generation fades slowly when the younger is just making his mark, confrontations between them can be fascinating.

Just how slowly a great player can fade may be seen in the game between a 52-year-old former world champion, Mikhail Tal of the Soviet Union, and Jonathan Speelman of Britain, currently a semifinal world championship candidate who is 20 years younger. They met on Oct. 7 in the fourth round of the third World Cup Tournament in Reykjavik, Iceland.

Lately, Speelman has taken up the Pirc Defense, so Tal could have expected it. Likewise, it could not have been a secret to Speelman that Tal has done well with the conservative 3 N3 against it.

The attack on the center with 6...c5, once considered erroneous, earned its credibility in the Anderson-Torre game in Leningrad 1987, which went 7 d c 8 Be3 b6 9 Qd8 Rd8 10 Rd1 Nc5 11 Rd8 Nd8 12 Rd1 Bc7 and ended in an early draw. Tal kept more tension by bringing about a Benoni formation with 7 d5.

Instead of using the usual prophylactic 9 a4, Tal casually played 9 Bc4, allowing the simplification with 9...b5 10 Nb5 Ne4 11 Nc7 Qc7. After 12 Bc4 Nf6, the backward f7 pawn had become a target, but so had the b2 pawn.

After 18 Rb1, Speelman should have avoided difficulties with 18...Qd1! 19 Re7 20 Re7 Qd5 (20...Nd5? 21 b3! Qd4 22 Qd5 Rf8 23 a4 favors White) because 21 Bc7 Qd2 22 Nd2 Bf8 will cost White the exchange.

The Englishman's 19...Qb7 20 a4 Qb4 21 Qc2 only had the effect of improving the white position. If he had planned on 21...Nd5?, he must have belatedly noticed that 22 c4 Qd4 23 Nc6! fe 24 R3 drops his queen.

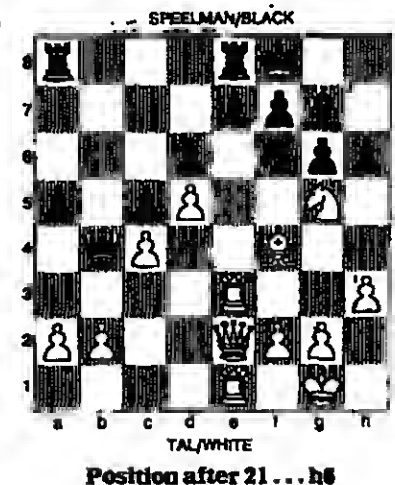
Thinking that all was in order, Speelman played 21...b6 and offered a draw. But Tal fired the opening salvo of a tremendous attack with 22 Nf7! Kf7 23 Rb3! Qa4 24 Qc6 Kf8 25 Rb7.

Speelman could not defend his d6 pawn by 25...Raf because of 26 b3 Qc2 27 Re7 28 Qe7 Kf8 29 Qb7. Moreover, 25...Rab8 26 Rb8 Rb8 27 Bc6! ed 28 Qc6 Kf8 29 Qb8 yields White a rook and three pawns for two minor pieces.

His 25...Qc4 was tipped by 26 Bc6! and after the compulsory 26...Ng8, Tal brought pressure to the breaking point with 27 Re3 Bf8 28 Rf3.

Speelman got out of one pin with 28...Kc7 at the expense of falling into another, which Tal exploited by 29 Be7! Re7 30 Re7, ready to set up a mating net after 30...Be7 31 Rf7 Kf8 32 Qg6.

Speelman squirmed with 30...Ne7 31 Qf6 Kf8 32 Qf7 Kf8 33 Qf7 Qd5, but after 34 Rf7, he had to lose his queen to save off mate and gave up.



Position after 21...b6

White	Black	White	Black
1 e4	d5	18 Rb1	Kf8
2 Nf3	Nf6	19 Ng5	Qc7
3 Bc4	Bc5	20 a4	Qb4
4 Bc2	Nf8	21 Qc2	Kf7
5 Nc3	O-O	22 Nf7	Qa4
6 O-O	c5	23 Rb3	Kf8
7 d5	c4	24 Qc6	Kf8
8 Re1	Ne6	25 Rb7	Qc4
9 Bf4	b6	26 Bc6	Nf6
10 Nf3	Ne4	27 Re3	Bf8
11 Nc7	Qc7	28 Rf3	Kf7
12 Bc4	Nf6	29 Be7	Re7
13 Nf3	Re7	30 Re7	Ne7
14 Rb1	a5	31 Qf6	Kf8
15 Qd2	Qb6	32 Qf7	Qd5
16 Re3	Ba8	33 Qf7	Qd5
17 Baf	Qe6	34 Rf7	Re8

## DOONESBURY



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Answer: What they experienced when the life of the party finally went home — "GIMME FILLER!"

## BOOKS

## WAVERLY PLACE

By Susan Brownmiller. 294 pages.  
\$18.95. Grove Press, 920 Broadway,  
New York, N. Y. 10010.

Reviewed by Andrew Vachuss

LISA STEINBERG'S death was national news in the United States, not because she was a child when she died, not because her death appeared to be at the hands of her caretakers, but because those charged with her murder occupied a social and economic position miles above the underclass. An apparently successful lawyer, a former child's book editor, a Greenwich Village brownstone.

In "Waverly Place," Susan Brownmiller, author of "Against Our Will" and "Femininity," has written a fictionalized interpretation of the Lisa Steinberg homicide. The main characters — Barry Kantor, Judith Winograd and Melanie — are thinly disguised versions of Joel Steinberg, Hedda Nussbaum and their adopted daughter Lisa.

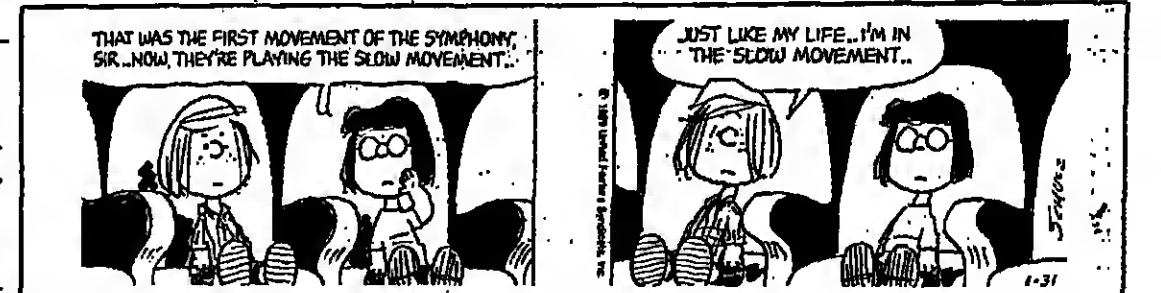
Brownmiller sets wife battering and child abuse as inextricably intertwined. Kantor is the Devil. Except for some vague hints that he himself was battered as a child (and such hints come from the mouth of a man to whom lying is the staff of life), Kantor is depicted as a controlling, sadistic, evil creature. He is a possession-crazed yuppie, a corner-cutter unencumbered by morals or ethics, a cocaine dealer who works as an (incompetent) criminal lawyer and steals from his clients. The child is "adopted" by accident. Kantor is involved in a baby-selling operation, and gets "smuck" with the child when a prospective deal falls through. When he destroys the child in a series of escalating physical attacks, it is the combination of cocaine psychosis and the stock market crash that drives him to critical mass.

Judith is the classic battered woman, manipulated by a sociopathic monster, so diminished of self-concept that she sees it all as "my fault." No opportunity to make this point is overlooked, from references to "Stockholm Syndrome" and Sigmund Freud to the child pathetically wishing her mother would be "good" so Daddy wouldn't have to beat her. Judith is beaten horribly, escapes, and voluntarily returns to promises of love and devotion. Over and over again. Her will is eroded until it vanishes. The end is inevitable. Brownmiller calls the tragedy of the child's death *folie à deux*, but Judith's contribution to the result is buried under thick layers of sympathy and empathy for her position as Battered Wife.

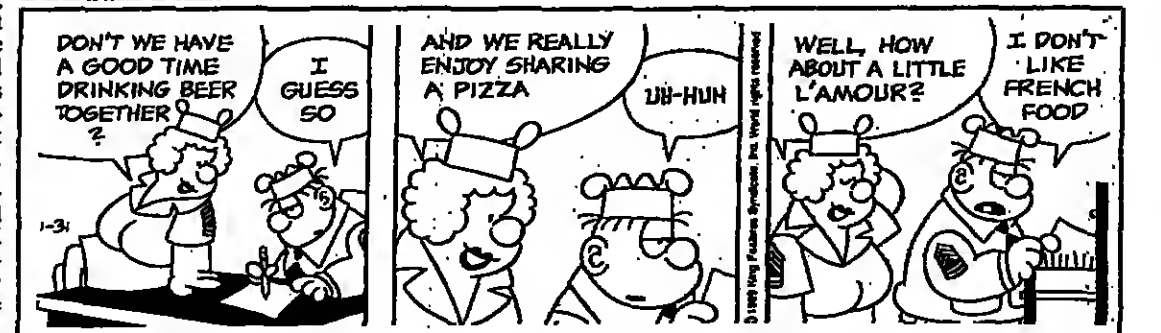
Brownmiller writes with justifiable passion. Her heat sheds light on a cancer within our society, but questions remain. If the case workers, the school authorities, the neighbors — if all of us — must share the responsibility for Melanie's death, can Judith herself really be so blameless? If this book points toward the desperate need for a child protective emphasis within the battered women's movement, it will have been one of the most significant opening salvos in a war that has yet to be declared.

Andrew Vachuss is a lawyer whose practice is devoted to representing children and youth. He wrote this for The Washington Post.

## PEANUTS



## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## GARFIELD









